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ABSTRACT

Written mainly for a non-Swedish audience, this document has a twofold purpose: (1) to examine how and to what extent the further education and training of the labor force is both presently and prospectively dealt with in collective bargaining agreements and other workplace negotiation processes in the Swedish labor market; and (2) to examine the potential and limits of government intervention in the area of human resource development in working life. Eight of nine substantive chapters deal with the following topics: the development of continuing education in Sweden; training policy in the Swedish model; the volume, cost, and benefits of adult education and training; labor relations and collective bargaining; legal arrangements for training policy; negotiated contracts involving training policy; the views of Swedish trade unions on future training policy; and the views of Swedish employers on future training policy. A final chapter presents conclusions of the study with regard to training policy in collection negotiations, the regulation of training policy, the financing of training policy, the prospects for training policy during the 1990s, and the need for explanatory research. The appendix contains a 28-question interview guide for members of the major partners in the Swedish labor market. The document includes a list of 108 references. (CML)

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Co-operation and Development

12 October 1989

Albert Tuijnman

FURTHER EDUCATION AND TRAINING IN SWEDISH WORKING LIFE: A DISCUSSION OF TRENDS AND ISSUES

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Preface

In March, 1988, the Intergovernmental Conference on Education and the Economy in a Changing Society was held in Paris under the auspices of the Organisation for Economic Co-operation and Development (OECD). The conference highlighted some important directions for the future work of the Education Committee. Among other issues, high priority should continue to be accorded to work on the relationship between education and the economy in general and the links between further education and training policies and employment policies in particular.

Following this recommendation, the Education Committee has initiated a research program comprising comparative studies aimed at examining how OECD countries are presently and prospectively handling with the expanding need for further education and training of the workforce. The following four areas of study were designated: (1) Educational attainment of the labour force, (2) Investment in education and training of the labour force, (3) Education and training, and collective bargaining, and (4) Assessment and certification of skills and competences acquired through in-service training.

The present report includes a summary of important trends and issues with respect to the further education and training of the Swedish labour force. It describes the evolution of recurrent education policy and active labour market policy in the Swedish model. The focus of the monograph is on the implications for this model of human resource development in working life. Attention is given not only to legislation in the area of human resource development in the public and private sector, but also to the major collectively-negotiated agreements between Swedish labour market organizations with respect to policy for the further education and training of the labour force. Moreover, the study summarizes the views and expectations of Swedish employers and the labour movement in relation to the goals, scope, content, organization and financing of a future policy for education and training in working life.

The opinions expressed in this paper are the responsibility of the author and do not necessarily reflect the views of the OECD.

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Part I

INTRODUCTION

1.1 The Problem in Context

In the late the 1960s the idea of recurrent education was launched as presenting a panacea for real and anticipated problems arising in the expansion of formal education and the changing needs of labour markets in industrial societies. Mainly because of the high costs involved, disillusionment with the idea of recurrent education was widespread in the late 1970s and early 1980s. However, since then, the principle of recurrent education has rapidly gained endorsement among policy-makers, not least as a consequence of pressures brought to bear on governments by employers' organizations and worker collectives.

Different arguments in support of the development of formal adult education and the expansion of opportunities for further education and training in the workplace are brought forward. For example, it is claimed that productivity is enhanced by education and training received in adult life, particularly in societies facing a situation of accelerating technological development. The guiding premise is that, as technology, production systems and organizational structures become more complicated, there will be an increasing emphasis on and need for training designed to augment experiences of education and work. The basic assumption is that a well-trained workforce, a competent managerial force, and labour collectives and technical expertise which are receptive to change, are important elements in determining the speed and success of implementing new technologies and in adapting organizations to rapidly changing social and economic demands (Alfthan, 1985; Tuijnman, 1989).

The importance of the further education and training of the labour force as a strategic factor in the production of goods and services is increasingly becoming recognized in most OECD Member States. This development also applies to Sweden. In this country, the labour organizations have been and are involved in central-level collective bargaining in an attempt to solve problems relating to education in working life by means of negotiated agreements rather than by means of legislation. In Sweden, employers and trade unions aim to find solutions for the distribution and financing of education and training in the workplace.

Central questions to be solved in this connection concern the tradeoffs between equality and efficiency, quality and quantity, and between the redistributive and economic growth-oriented goals of education in working life. The following

questions are asked in the Swedish debate. How should the goals for training policy be defined? Who should be involved in defining goals? Who should control the design and implementation of training policy? Who should pay for it? Who should be the recipient of eventual economic returns, and why? Who should receive the opportunity to take part in training programs in the workplace? Should there be a minimum of training for everybody, and if so, how many days? These questions illustrate the extent to which the issue of human resource development in working life has become a political problem with numerous economic and social implications in Sweden today.

1.2 The Purpose of the Study

The purpose of this study is twofold. First, to examine how and to what extent the further education and training of the labour force is both presently and prospectively dealt with in collective bargaining agreements and other workplace negotiation processes in place in the Swedish labour market. The second aim is to examine the potential and limits of government intervention in the area of human resource development in working life.

It should be noted that this report is written mainly for a non-Swedish audience. It presents an overview of important trends with regard to the provision and development of job-related adult education and training in Swedish working life. The report also summarizes some of the main policy issues concerning the further education and training of the labour force that are discussed in the country today.

1.3 Limitations

The reader will notice that the data presented this report are mostly of a descriptive kind. This illustrates the fact that the present state-of-the-art of the research into the further education and training of the labour force is still pre-occupied with decriptions of the types of programs offered, the volume of recruitment, the characteristics of participant groups, and the examination of differences in provision and utilization between and among the several sectors and branches of both the public and private labour market. The scarcity of empirical studies aimed at explaining why certain differences between labour market sectors, groups of people and industries occur has, in recent years, been frequently noted by research workers. Sweden is no exception in this regard. Hence, one important limitation of the present study is that no evidence is offered to substantiate some of the claims and explanations advanced. A second limitation is that, since no data could be collected for this study, the report relies on secondary data.

1.4 Overview and Summary

Institutional arrangements for the development and provision of further education and workplace training can not be understood without examining in some detail the relationships between the educational system in place in society on the one hand, and the economic, political, cultural and legal context of that society on the other hand. Hence, a frame of reference is needed that locates and explains the complex interplay of factors involved in the shaping of policies for further education and training.

It follows that, in order to appreciate how the issue of the further education and training of the labour force currently features in agreements between employers' organizations and employee collectives, it is necessary to study historical characteristics and long term developments in Swedish society. Although an analysis of this type is outside the focus of this paper, brief attention must inevitably be given to economic and political factors, as well as to demographic trends and aspects of educational reform, in so far as these contribute to an understanding of the context of education and training policy in Sweden.

Collectively, Parts II, III, IV and V of this study present the general background information needed for an understanding of the economic, political and social context of training policy in Swedish working life. Since the issues addressed in these four parts are not entirely essential to the aims of the study, readers may wish to exclude them from their first reading.

Part II provides a description of developments in Swedish recurrent education. It is concluded that the further education and training of the labour force constitutes a pivot for the original strategy of recurrent education in the Swedish policy context. In-service training and human resource development in the workplace, as based on the principle of adult recurrent education, present major issues for working life reform in Sweden today. In this regard, the legal and administrative framework of recurrent education can be regarded as constituting the parameters within which collective negotiations concerning human resource development in the workplace will have to take place.

Part III describes briefly the central policy elements of the Swedish model. In this respect, particular attention is given to the role of training in external and internal labour markets as constituting central elements of labour market policy in Sweden. A number of factors have influenced the gradual change in recent years in the emphasis of Swedish labour market policy from training in external markets to in-service training and human resource development in internal labour markets. It is concluded that the expansion of opportunities for human resource development in internal labour markets will have important consequences for the functioning of the Swedish model in general and for active labour market policy in particular.

Part IV presents a part of the data collected by Statistics Sweden which describe the volume and social distribution of the recruitment to programs of further education and training in Sweden, in 1986 and 1987. A tentative account of factors that could, at least to an extent, explain differences in the type and volume of training provision between the various labour market sectors and main industries is also given. Part IV also presents estimates of the costs of adult education and training in Sweden. These costs are compared with estimates of total public expenditure on formal adult education and labour market training. It is found that the sum of public and private expenditures on the further education and training of the labour force in Sweden was half as much as total public expenditure on the entire system of formal education in 1987/88. Finally, brief attention is given to the individual-level occupational and economic benefits of in-service training and their consequences for the certification and recognition of competencies and skills acquired through on-the-job training.

Part V includes a brief description of labour organizations in Sweden and presents the principles and rules governing collective bargaining in Sweden. Particular attention is given to models of collective bargaining in industry. Examples are given of negotiation processes among parties focusing on the provision and social distribution of training opportunities in three specific companies in Sweden. The last section concerns the role of the government in monitoring and steering policies and collective agreements involving aspects of the further education and training of the labour force.

Part VI presents a summary of labour legislation in Sweden which has a bearing on policies for human resource development in working life. In all, six important labour laws are briefly reviewed and their implications for the provision of education and training in the workplace indicated. It is mentioned that these so-called "framework" laws have come about mainly in cases where employers and trade unions could not resolve their disputes over interests and disputes over rights through the process of collective bargaining. The laws passed during the 1970s, such as the so-called Co-determination Act and the Working Life Act, do not put much emphasis on the importance of further education and training in working life. However, in the course of the 1980s, the issues of the further education and training of the workforce and policies for human resource development in working life take an increasingly central place in most labour laws passed in the country.

Collectively-negotiated agreements involving education and training policy in working life are the focus of the presentation in Part VII of this study. There are three important collective agreements in existence in Sweden that deal with training at the workplace. These concern the establishment of security funds in the private and public sectors of the labour market, the working environment funds, and the efficiency and participation agreement signed between SAF, LO and PTK in 1982. Employers and the labour movement have rather different views about the usefulness of these contracts.

Part VIII describes briefly the views and expectations of the labour movement with respect to their demands and expectations regarding the design and implementation of future policies for the further education and training of the labour force. The chapter is divided into three sections. These are concerned with the views of LO, TCO and SACO/SR, respectively. Some trade unions in Sweden, most notably LO and some of the branches of the Swedish Confederation of Professional Employees (TCO), have put forward rather concrete proposals regarding the goals, scope, organization, financing and redistribution of education and training in working life. These demands and some of their implications for the organization of work are spelled out in substantial detail.

In Part IX, the word is given to the Swedish Employers' Confederation. In the view of the employers, the labour movement attempts to weaken the economic objective of education and training in working life by emphasizing the importance of the redistributive goal. This policy is regarded by employers as contrary to the development needs of industry and, in the long run, of society. In the employers' view, trainign should be given a concrete goal and content at the local or firm level. Laws or bargaining agreements that would impose strict rules on the financing and organization of training in industry are seen as undesirable. The discussion is concluded with proposals for the financing of a future system of in-service training.

Part X presents the conclusions of the study with regard to (1) the regulation of training policy in the future, (2) the financing of training policy, (3) training policy as addressed in collective negotiations, (4) the role of the government, (5) prospects for training policy in the 1990s, and (6) the need for explanatory research focusing on the antecedents of participation in in-service training, the determinants of inter- and intra-industry differences, and the outcomes and benefits of in-service training and human resource development in the workplace at the level of the ndividual, the firm, and the society.

Part II

DEVELOPMENT OF RECURRENT EDUCATION POLICY IN SWEDEN

2.1 Introduction

Ever since the early 1970s, Sweden has been committed to a so-called program of "rolling reform" in education which, in the long run, has been aimed to establish a system of recurrent education. In the course of 25 years of experimenting and social reforming, the Swedish system of education has undergone drastic change. These developments, which have profoundly altered the goals, structure, organization and pedagogical practices of the educational system at all levels, also have numerous implications for the implementation of a system of education organized with a cyclic strategy. As a result of these developments, Sweden has doubtlessly come a very long way towards realizing the goal of instituting a system of recurrent education and training.

Today, the further education and training of the labour force constitutes an issue with major social, political and economic implications in Sweden. The issue of education and training in working life cannot be discussed without referring to the wider policy context of education in Sweden. To a large extent, the present discussion about the goals and scope of training policy should be regarded as constituting a logical phase in a sequence of developments which started in the 1950s. Major events in this sequence were, first, the formulation of goals for and elements of the so-called "Swedish Model" in the late 1940s and 1950s, in which training policy takes a special position. Another event was the formulation of recurrent education policy, in which education and training were not only interpreted as constituting a means for achieving social equality and economic growth, but particularly, as a strategy for bringing educational policy in a close relationship with other elements of the Swedish model, including social, economic and labour market policies.

This part of the paper describes briefly the original idea of recurrent education and training, as initially advocated and elaborated by parties involved in the work of the OECD in the early 1970s. The purpose of this presentation is to show how and why the issue of personnel education and training constitutes a politically charged problem in Sweden today.

2.2 The Concept of Recurrent Education

The early concept of recurrent education was much influenced by functionalist thinking about the implications for educational systems of changing economic, social and political relationships in a modern industrial society. Recurrent education was proposed as a strategy not only for promoting social equality but also as a means for solving both actual and anticipated problems obstructing progress in rapidly developing economies. Important among these were problems associated with the introduction of new technology in the workplace, the prospect of an enormous "explosion of enrolment" in higher education, and imbalances between the supply of trained workers and the demand for educational services and skilled manpower. Educational planners anticipated a shortage of well-educated professionals and skilled middle-level technicians, and a corresponding oversupply of young adults whose schooling was expected to be deficient in vocational training.

Hence, recurrent education was looked upon as a means of checking the "pressure of numbers" in university-type higher education, of channelling more young students into vocational study programs and, above all, of supplying the labour market with the manpower it required for sustainable economic growth. It follows that the idea of recurrent education provided welcome arguments for emphasizing the liaison between education and working life. Because the strategy of recurrent education was aimed at labour market adjustment and, at least in the Swedish context, at full employment, the idea was an expression of the view that the degree of correspondence between educational practices and the operations of the workplace should be strengthened.

In its initial form, recurrent education was a grand idea which sought to manage imbalances between supply and demand, as well as trade-offs between quality and quantity on the one hand, and equity and efficiency on the other hand. Recurrent education is generally interpreted as a move to a post-mandatory system of education that brings upper secondary and higher education into a new relationship with formal and less formal programs of adult education and training on the one hand, and with the employment market on the other hand (Emmerij, 1983; Bengtsson, 1985). The following definition is used:

> Recurrent education is an original policy for education which combined a labour market policy, an employment policy, a social policy, and a concept of teaching. It argues not for new educational goals and objectives but for an alternative for educational opportunity, whereby present systems are gradually transformed so that they do not any longer provide education in one stretch during an individual's youth, but over the entire life-span and in alternation with other activities, and particularly, with work. (OECD, 1982).

2.3 Goals for Adult Education and Training

It is important to observe that the proposal for recurrent education emerged in a context of both real and anticipated problems and dilemmas of development experienced in OECD Member States as they changed into various kinds of institutional welfare societies. Particularly if examined from the perspective of the limits to growth experienced in the process of welfare state building, the planned redistribution of educational resources and opportunities over the entire life span in alternation with productive work and leisure can be interpreted as representing a pragmatic answer to problems of development both internal and external to educational systems.

Because problems associated with the limits to growth of welfare societies must be considered to be, at least in part, transitional, the goals contained in a flexible strategy for educational, social and economic development, such as those peculiar to recurrent education, must be examined in the context of the social and economic history of particular societies and their priorities for national development. Hence, the structural characteristics of an educational system organized with a cyclic strategy depend on the wider economic, political and cultural contexts of education in modern industrial society.

In Sweden, the goals for formal adult education are specified both in terms of personal enrichment and with respect to the objectives associated with the general development of society. Adult education in a system of recurrent education seeks to reduce the gaps in educational attainments between generations and social groups, to further democracy, to augment the cultural awareness and participation of citizens, to contribute to economic growth, to supply the economy with the necessary manpower, to contribute to realizing full-level employment, and to help achieve a more flexible distribution of work, education and leisure across the life span.

In Sweden, the goals and objectives of adult education in a general system of recurrent education emphasize the following aspects (Ministry of Education, 1986):

- bridging the gaps in education between youth and adults;
- increasing adults' ability to become involved in and to influence the future development of society;
- training and retraining adults for various professional tasks, making them able to influence the direction and changes of working conditions, thereby also contributing to employment and progress in society; and
- fulfilling adults' individual wishes for education and giving them opportunities to supplement their early formal education.

2.4 Developments in Swedish Recurrent Education

Several factors influenced the decision taken by Parliament in 1975 to implement policies that would eventually lead to the establishment of an educational system organized with a cyclic strategy. First, in the late 1960s and early 1970s, the labour unions, LO and TCO, had intensified their demands with respect to the implementation of measures in the labour market and in the educational system that would enhance the opportunities for access to programs of adult education by poorly educated and low skilled workers. Second, it had become clear that manpower planning and educational planning required integration. Third, the reforms at the lower end of the system had affected the organization and content of higher and adult education. For example, recurrent education aimed to improve the nexus between upper secondary education, adult education, and the university system by offering access to further education for youths from various programs of study at the upper secondary level. One way this was done was by implementing compensatory measures for the disadvantaged, and by delaying career choice. Four, it was considered that academic courses of study at the upper secondary and tertiary levels of the system were in too much demand and admitted too many students compared with the intake to vocational programs.

The documents published by the Swedish Education Commission in the early 1970s bear witness to the powerful assumption that recurrent education policy and active labour market policy could together influence the distribution of opportunities and rewards in society. This almost unbridled belief in the beneficial outcomes of education was soon replaced by scepticism. By 1977, when a right-of-centre coalition government assumed office, the redistributive aims of the planned reform had been emphasized to a much lesser extent. While traditional higher education was moving away from the concept of recurrent education as interpreted in the reform of 1975 (Proposition 1975), pressures were brought to bear on the government by other interested parties, not least by the Swedish Employers Confederation, to update the idea of recurrent education (Abrahamsson et al., 1988).

In response to economic conditions of austerity, demographic changes and new political priorities, the usefulness of recurrent education was called into doubt in the latter half of the 1970s. The main criticism of recurrent education did not challenge the basic rationale of redistributing opportunities and participation in educational programs across the life span of individuals, but questioned the timing of labour market entrance and the nature and frequency of alternation between education, work and leisure.

Central to the original idea of recurrent education was the delay of components of upper secondary or tertiary education until a certain mature age was reached, so that educational careers would be motivated by actual work experiences, realistic self-assessments, and concrete occupational choices. The postponement of a component of early formal education was considered essential in a strategy which aimed to enhance the

efficiency and flexibility of the connection between education and employment while safeguarding free choice. As a strategy of "diversion," conceived to contain and redirect "excessive" individual demand for higher education, postponement policy was advantageous, not least for educational planners, budget controllers, and politicians (Murray, 1988).

Instead of seriously contemplating recurrent education as a strategy to avoid diffusion of responsibility for the provision of opportunities for adult learning, Sweden has mostly opted for a less radical approach. This has involved encouragement for the extension of conventional programs of adult education to a larger and broader audience. Hence, for ideological as well as practical reasons, the postponement aspect of recurrent education has gradually lost some of its policy relevance in Sweden.

This development has been reinforced by falling school enrolments as a result of a declining birthrate, controversy over the skill implications of introducing new technology, renewed emphasis on human capital as a crucial factor in the production of goods and services, and a reduced or otherwise rather modest transition rate to higher education among young students. Rather than delaying a part of formal education until a more mature age, policy-makers in Sweden have more recently emphasized the importance of a broad and general schooling so as to provide a basis for recurrent learning.

While the postponement aspect of recurrent education policy is less emphasized today, the usefulness of the alternation principle itself has generally not been called into question. Hence, policy-makers have examined ways to strengthen the vocational relevance of formal education using approaches other than the one associated with the original strategy of postponement. In Sweden, there is a broad consensus about the desirability of extending all two-year technical and vocational programs of study at the upper-secondary school level to three-year programs. According to the plans (ÖGY-förslag), the third year will involve some deliberate alternation between classroom-based instruction and actual experience of work gained through apprenticeship training in industry and in organizations run by public sector authorities.

The usefulness of developing alternation education as a means of facilitating new relationships between the worlds of work and formal schooling is based on a number of assumptions. For example, the inclusion in the curriculum of periods of work outside the school environment is believed not only to have desirable effects on students' attitudes towards education and work as well as their occupational expectations, but also on school motivation, youth unemployment, turnover rates of young people in the labour market, and the internal efficiency of school systems.

The principal aim of alternation education in Sweden is to improve the relationships between early education and the workplace, not only by placing emphasis on the introduction of practical subjects and vocational elements in programs of formal study in educational institutions, but also through bringing the branches of upper secondary and higher education

into a new functional relationship with the labour market. It follows that alternation education must be regarded as constituting a partial strategy within the wider policy contexts of recurrent education. In Sweden, both the labour movement and employers support idea of alternation education. As can be expected, the latter group in particular has influenced the development and implementation of alternation policies in the Swedish school system.

2.5 Implications

The preceding paragraphs give rise to questions concerned with the relevance of recurrent education for the formulation of policies for further education and training in working life. In the first place, it can be argued that the strategy of recurrent education which, initially at least, was mainly concerned with formal education, has stimulated a discussion about the role of less formal and nonformal educational provision in a system of lifelong education. In this way, recurrent education has provided some legitimacy for a policy debate regarding in-service training policy at a time when these issues excited generally not much interest internationally. Secondly, the development of recurrent education policy has implications for collective negotiations involving training policy in Sweden.

In this regard, the legal and administrative framework of recurrent education can be regarded as constituting the parameters within which collective negotiations concerning human resource development in the workplace will have to take place. Moreover, as the government has played a decisive role in the development of recurrent education strategies in Sweden, not least with respect to the legislation upon which it is based, it follows that the government has some measure of control, albeit indirect, over central-level collective bargaining processes regarding the operation of in-service training.

2.5 Concluding Remarks

The issue of the further education and training of the labour force should be interpreted not only as constituting a pivot for recurrent education policy in Sweden, but also as presenting the link connecting the idea of recurrent education with the policy dimensions implicated in the Swedish model, such as active labour market policy.

With regard to the discussion involving recurrent education in the 1970s, it should be noticed that the debate was by and large concerned with the organization and democratization of traditional higher education. However important, formal adult education was of less immediate concern compared with the

reform of higher education. In-service training and education in working life was by and large left in the periphery of the debate. Today, training policy has become one of the main issues being discussed in connection with the strategy of recurrent education for improving the efficiency and equality of educating and training people for the demands of working life and leisure.

Part III

TRAINING POLICY IN THE SWEDISH MODEL

3.1 Outline of the Swedish Model

Education and training policies have been part and parcel of the so-called Swedish model, which has evolved since the 1940s. This model, which is also known as the Rehn-Meidner model, is aimed at creating the conditions necessary for achieving full employment, while at the same time minimizing the expected negative influences of conditions of full employment on consumer price inflation and wage drift, and hence, on prospects for future economic development. Essentially, the core of the idea was to make selective use of a mix of economic, educational and employment policies which would help stabilize the economy. Labour market training schemes have constituted an integral part of labour market policy which, together with a complex structure of fiscal and public policies, can be regarded as constituting the central elements in the Swedish model. A distinction is commonly made between four elements in this model (Rehn, 1964; Rehn, 1985; Wadensjö et al., 1988; Standing, 1988).

3.2 Elements of the Swedish Model

The first element in the Swedish model is commonly understood to refer to a restrictive monetary-fiscal policy. This policy is used to influence aggregate demand in the economy at less than full employment capacity in order to control and reduce inflationary pressures. For example, at times of rapid growth in certain sectors of the economy, monetary-fiscal policy with a restrictive management of demand would be used to curb inflation and to control excessive wage drift by limiting the accumulation of profits in the industrial sector beyond a given threshold.

Second, a so-called "solidaristic" wage policy is encouraged and, at least in part, implemented, through collective bargaining between employers' organizations and trade unions. This wage policy is aimed not only at achieving equality by emphasizing the principle "equal pay for equal work," but also at actively encouraging the mobility and migration of labour from less productive to more productive sectors in the economy. In short, solidaristic wage policy entails the strategy that salaries are allowed to increase in accordance with the overall level of national productivity

increases, that some control is available at the central policy level to keep major wage drift under control, that some unemployment is created, that inflationary pressure is mildly dampened, and that the transfer of labour from unprofitable areas of production to more competitive areas is actively stimulated.

Third, selective employment policies are used in the Swedish model. The purpose of these policies is not only to provide jobs for the unemployed in regions and sectors facing severe problems of structural adjustment, but also to provide employment for special groups such as youth in risk of unemployment, handicapped persons, and immigrants.

Active labour market policy is regarded as a very important element in the Swedish model. An active labour market policy presents a mix of instruments that can selectively be used to influence the supply and demand for manpower and educational services. It constitutes a means for achieving general economic goals such as social and economic stability, effectiveness with respect to the allocation and use of resources, and the equal distribution of welfare gains among groups in society.

Active labour market policy aims to ensure full-level employment and to moderate the effects of bottlenecks in the economy. The main instruments of labour market policy are labour market training, mobility grants and selective counter-cyclical labour market mechanisms such as information systems, labour exchanges, and advisory services. More recently, human resource development and training within enterprises has been encouraged by the government. In-service training in internal labour markets is increasingly being recognized as a further element of importance to the functioning of the Swedish model (Dalhberg, 1988).

3.3 Phases in the Development of Labour Market Policy

Johannesson (1988) and Standing (1988) have identified four broad phases in the evolution of active labour market policy in Sweden. These phases, which are described below, can be inferred from the data presented in Figure 1, which indicate the changing volume of total expenditure on aspects of labour market policy by the National Labour Market Board from 1948 to 1987, in current prices and as a percentage of Sweden's gross national product. Because fluctuations in the trend shown coincide with incidences of economic recession, the counter-recessionary goal of active labour market policy is made explicit.

Insert Figure 1

The first phase extends from 1948, at which time labour market training (arbetsmarknadsutbildning) started to operate on the Swedish labour market, to 1961. The main intention behind the expansion of labour market training in this period was to reduce frictional unemployment. Until the beginning of the 1960s expenditure on labour market policy followed a cyclical pattern in which expenditure was increased during periods of economic hardship and recession and decreased during periods of accelerating economic activity. One characteristic of this period was that less attention was given to supply measures, such as training in external labour markets, than to other instruments of labour market policy, such as grants to encourage the migration of labour.

During the second phase, which covers the period from the early 1960s to 1969, much more emphasis was placed on the role of training in labour market policy (Johannesson, 1988). As a result, expenditure on labour market policy rose to about four per cent of Sweden's public expenditure.

The third phase in the continued development of labour market policy began in the early 1970s. In order to counter fluctuations in economic activity labour market policy was once again used mainly as a counter-recessionary instrument aimed at stabilizing economic activity. Labour market training was seen as a useful tool for influencing the supply of manpower. This period also saw the expansion of in-service training programs designed to provide workers threatened with unemployment with the skills necessary for continued employment. Expenditure on labour market policy reached eight per cent of total public expenditure during this period. As a result of pressures brought to bear by the labour movement, more importance was given to policy measures intended to increase the flexibility of the labour force, as assessed by the external flow of manpower across sectors of the labour market.

The fourth phase, which may be considered to have started around 1982, is characterized by the key-words "innovation", "efficiency" and "revitalization" (Standing, 1988). The critical issue has been one of developing and restructuring industry and services in the private sector without causing serious strains on the egalitarian base of Swedish society. In order to achieve this, the government has aimed to implement restrictive economic policy and has attempted to cut down on public expenditure. Labour market policy has continued to play an important role. As a result of recent improvements in corporate profits and in the industrial investment ratio, and undoubtedly also because of the rather low unemployment rate, the focus of labour market policy has once again shifted to the supply side of labour.

Even though labour market training has continued to be an important instrument in influencing labour supply on the external market side, the overall emphasis would appear to have gradually shifted from training in external labour markets to training in internal labour markets. This trend can be considered part and parcel of another development, namely, the general reorientation of active labour market policy in Sweden from being concerned with strategies to influence

overall demand to measures to influence supply at the level of the workplace. Naturally, these developments have numerous implications for the future role of publicly financed labour market training.

It can be inferred from the data shown in Figure 2 that one contributing factor to the reorientation of labour market policy from influencing the demand side of labour to emphasizing labour supply is that an increasing number of both public agencies and private enterprises in Sweden are faced with acute shortages of manpower in critical areas of the production system.

Insert Figure 2

3.4 In-service Training and Labour Market Policy

Throughout the post-war period, employers in the industrial sector have repeatedly been confronted with an acute shortage of specific types of skills and competences. Naturally, this situation has by and large depended on the occurrence of rapid structural change in industry. As a rule, when a very urgent shortage of specific manpower skills were encountered, then it has been in the interest of industry to see to it that the supply of labour in this area be boosted. In order to respond adequately to changing demands for skilled manpower, and especially to those which arose fairly suddenly, industry has assumed responsibility for further education and training, in part because the public system of education can, for a number of reasons, not be expected to cope very efficiently with suddenly arising new demands for manpower. As a consequence, the private sector has trained groups of personnel in order to bridge gaps in the demand for skilled manpower which depended on the time needed by the formal educational system to educate the people industry required for its changing production system.

Even though in-service training and education in firm internal labour markets can be considered to have been part and parcel of active labour market policy since the late 1950s, its potential for development and labour market adjustment was not accentuated to the same extent as it is today. Nevertheless, there are a few examples of the use of training in internal labour markets as an instrument of active labour market policy designed to influence the supply and

demand of labour. For example, in the early and mid-1970s, at the time when the effects of the oil recession were beginning to be felt in Sweden, the government set up a promotion scheme according to which employers who undertook to train and retrain their work force in order to manage redundancy effects caused by structural adjustment in the industrial sector, were paid 10 kronor (later 25 kronor) per hour per trainee.

The increased emphasis placed on in-service training and human resource development in internal labour markets can also be explained, at least in part, by a number of other contributing developments. The following developments and changes are among the most important ones. First, demographers have convincingly shown that there will be a comparatively low supply of new labour market entrants during the next decade. This expectation has major implications for the demands being made of the present workforce, not least in that the present situation would seem to necessitate the upgrading of occupational skills and competences of employees who are already in the labour force. Over the past few years, this argument has been repeatedly emphasized both in publications from the Swedish Ministry of Labour (1987, 1988) and in material released by the Swedish Employers' Confederation. Figure 3 shows three alternative forecasts regarding the number of persons constituting the group from 16 to 24 years of age in Sweden from 1990 to 2030. Until the year 2000 the trend must be considered to be rather certain.

Insert Figure 3

The argument that the falling number of labour market entrants will have important consequences for the further education and training of Swedish labour force is brought foreward not only by representatives of the Swedish government. Also the labour unions make this point. This can be explained because some parts of the public services sector, not least the health care labour market, which already in Sweden today encounter severe difficulties in recruiting sufficient personnel, will have to enter into intense competition over the young workforce with other, generally more attractive, internal labour markets.

Second, Sweden has an export-led economy with a large share of high technology products and has, during the past decade, given high priority to both technical and organizational rationalization in the workplace. This has led to an increased rate of investment in robots, automation procedures, and computerization. Thus, new types of skills are in high demand

on the labour market. These developments explain, in part, the widespread belief in Sweden today that the skills required of the work force are generally being upgraded. Some evidence in support of this hypothesis is presented in Figure 4, which shows the percentage of job vacancies for which a minimum level of formal educational attainment, as well as particular work experiences, are required.

Insert Figure 4

A third argument which would appear to justify the promotion of in-service training in internal labour markets is related to the fact that companies in Sweden have generally become larger. Because enterprises are larger, it is considered beneficial if workers in danger of becoming displaced by the restructuring of industry could be transferred to areas of production undergoing expansion within the same enterprise or corporate structure. Under certain circumstances, in-service training could help not only to prevent dismissals and loss of employment, but also to improve the efficiency of the work organization, and to reduce friction by diminishing the demand for publicly-financed, external labour market training.

The labour movement in particular emphasizes the argument that the increased rationalization of managerial structures and also the allocation of capital for investments in machinery, robots and other computer-based technologies, do not by themselves create an adequate foundation for balanced development, and thus, do not necessarily produce the expected economic returns in the form of decreased input, increased productivity, and augmented profits. Rather, the competences and skills of the workforce are singled out as the principal mediating factor behind the production gains and other benefits that accrue from capital rationalization and investments in new technology.

3.5 Training in Internal Labour Markets: Recent Developments

During the past five years, several central agreements involving education and training policy have been signed between public sector employers and trade unions. In some of these agreements, which represent extensions of co-

determination contracts negotiated in the public sector (i.e. MBA-S and MBA-KL, see Part VIII), definitions of terms such as "personnel upgrading" and "further education" are included.

The partners in the public labour market could agree on these terms, mainly because the issue of training policy was less controversial compared with the private sector. One reason for this is that the public labour market in Sweden represents in some respects a single internal labour market. Because the flow of labour generally remains within the public sector, human resource development can not only be regarded as a safe investment, but it can also be approached by using a long time perspective for planning.

It follows from the above that some of the key variables which influence the design and implementation of training policy in working life relate to characteristics of internal labour markets, namely, (1) the size of the internal labour market, (2) the degree of competition this market is exposed to, and (3) the relative safety and stability of the internal labour market.

These characteristics of the internal labour market have not only implications for the readiness or reluctance of employers to invest in education and training related to the operations of the workplace, but also for the willingness of employers to finance programs both of a very broad and general nature and of a highly specialized kind. However, the more specialized the educational program becomes, the more employers who invest in education will be exposed to market pressures and competition.

An example would seem in place. In the case of the training of pilots or taxation specialists, the long term returns from investments in education are not secure as a consequence of market competition. Hence, in these cases, public sector employers in Sweden are likely to attempt to protect their returns, for example, by demanding that prospective trainees sign a contract which binds them for a given spell of employment. The example above serves to illustrate the point that agreements involving training policy in working life are dependent on structural factors which differ across internal labour markets.

Even though it would seem desirable to formulate general rules for the design of a national training policy from the standpoint of promoting the equal distribution of resources for education in working life, there are a number of practical but major problems in the way of implementing a uniform approach to the further education and training of the labour force across segments of the labour market.

In Sweden, internal labour markets have both become larger, stronger and more isolated during the past two decades. This development has a number of implications for training policy. In the first place, the role of publicly financed external labour market training in the Swedish model is likely to become further accentuated, even though commissioned training may become a more central element of such training than it is today. This trend is likely to become strengthened by developments in the area of job security, which make it more and more difficult for employers to dismiss personnel. Second,

because training in internal labour markets is more directly skill oriented, it is important that the public system of formal education, including adult education, provides an education that is broad and general in character. Third, there is an increasing risk that education and training in internal labour markets will serve to constrain the external flow of labour. Because such a development would have many implications for labour market flexibility and adaptability, it would also set forth a series of form-specific demands on the future functioning of the Swedish model, particularly with respect to labour market policy and solidaristic wage policy.

An interesting problem is whether training in internal labour markets could be used as an element of active labour market policy aimed, for example, to influence economic stabilization. One way could be to consider a strategy by which economic and fiscal incentives could be used to freeze some part of the profits of companies at times of high productivity and economic growth into immobility, to be used for investment in human resource development programs in industry during times of economic stagnation or recession. Whether this would be feasible or not, education and training in internal labour markets will have major consequences for the Swedish model. Some of these effects could be considered positive, others negative.

Because training is usually organized in close connection with the workplace, one advantage could be that it may under some circumstances be easier to recruit people. Another advantage could be that the role of formal educational qualifications for selection and promotion in the internal labour market is likely to become less obvious and, perhaps, less decisive.

3.6 Training in Internal Labour Markets: Problems and Prospects

Apart from the arguments for the expansion of training in firm internal labour markets which have already been mentioned in the discussion above, additional points supporting the view that more attention should be given to the role and place of internal labour market as an instrument of active labour market policy are mentioned by the Efficiency and Participation Development Council in Sweden. This Council presents a platform for policy discussion between Swedish employers and certain trade unions, such as PTK. Among other issues, the Council has discussed questions relating to policies for human resource development in the private sector, and has identified additional factors which will necessitate the design and implementation of a new labour market training policy.

Among these, the following would seem crucial:

(1) The prospect of a stiffening of competition on Swedish and foreign markets as a result of the internationalization of the economy;

(2) General assessments of the role of new attitudes towards work in general and the role of people in the production of goods and services in particular;

(3) The importance of advantages gained by rapidly introducing new technology, new tools, and new working methods in industry;

(4) increased demands for a more effective use of both capital and time allocations;

(5) the importance of a generally increased concern with quality-mindedness among consumers, and

(6) the growing share of services in production.

The opinions of trade unions and employer organizations, as well as the position of the government with respect to the design and implementation of policies for the further education and training of the labour force are mainly discussed in Parts IX, X, and XI. It is important to observe here that, even though there are inevitably certain differences of opinion between these parties regarding, for example, the purpose, scope and financing of in-service training and human resource development in a wider sense, the social partners are essentially in agreement on the urgency and importance of establishing goals for a new national policy for education and training in working life.

The establishment by collective agreement of such a national training policy is considered a priority item at the bargaining table because economic stabilization and growth in the not too distant future, and also the standard of public services, are believed to depend critically on the mechanisms providing for the recurrent upgrading of the occupational skills of all categories of workers regardless of sector of economic activity.

If common assumptions and generalizations about the skill implications of the transition to a knowledge- and information- intensive post-industrial society hold, then the Swedish model of human resource development based on education offered in the system of formal education on the one hand, and conventional labour market training schemes and continuing in-service training in internal labour markets on the other hand, is likely to become more important. The urgency of extending active labour market policy to include a comprehensive national training policy is underscored by a number of economic developments and demographic trends which, potentially at least, will demand significant adjustments in the mix of policies generally known as the Rehn-Meidner model.

3.7 Concluding Remarks

This chapter has outlined the basic elements of the Swedish model. It also described the important phases in the continued development of Swedish "active" labour market policy. Next, some explanations were offered for the question as to why in-service training in internal labour markets is assuming an increasingly important place in the functioning of the Swedish model.

In summary, among the factors which may necessitate a reconsideration of the place and function of recurrent education and training policy in the Swedish model are the following:

(1) the shortage of labour in industry and in certain areas of public service;

(2) structural imbalances between the public and private sectors of the labour market;

(3) high inflationary pressures;

(4) very high domestic consumption;

(5) increasing wage differentials between workers in different internal labour markets;

(6) pressure on the social security system due to the greying of a large proportion of the population;

(7) the demand for increased access to and better quality of health services and day care centres;

(8) the prospect of stiffening competition on both Swedish and foreign markets as a result of the internationalization of the economy;

(9) a comparatively low level of public savings; and

(10) the impact of a zero-growth budget for public sector spending on efforts to guarantee an adequate and reasonably equal standard of living for the members of Swedish society.

These developments have also implications for both central- and local-level negotiations involving training policy. In the first place, as the importance of the further education and training of the workforce is increasingly becoming recognized by employers and employees, the question as to who controls training policies is becoming more important. Hence, training policy will increasingly surface as an issue of controversy and potential labour conflict in negotiations between the labour movement and employers.

In this regard, the strengthening of internal labour markets may weaken the collective bargaining power of the labour movement vis-à-vis employers, on the one hand, and is likely to augment the importance of negotiations taking place between the various trade unions and representatives of management at the level of the firm, on the other. Naturally, such a development has consequences for the attempt to institute uniformity with respect to training policy across labour markets and, especially, across industries. That the labour movement recognizes the significance of these dangers is apparent. This concern explains in part why the labour movement has requested the government to investigate the possibility of enforcing minimum standards with respect to the provision of in-servive training in working life.

Part IV

VOLUME, COSTS AND BENEFITS OF ADULT EDUCATION AND TRAINING

4.1 General Introduction

The central idea of recurrent education, namely, the development of organized procedures for the facilitation of systematic learning in adult life, has had an enormous impact on the provision of education at large in Sweden. The rapid advance in the participation rates of workers in training programs conducted either outside the organization or internally in firm specific labour markets, has in turn helped to bring about a substantial growth in the recruitment of individuals to traditional programs of general adult education.

In examining institutional arrangements for the development of training policies in Sweden, a distinction should be made between five elements which, collectively, constitute the Swedish system of post-compulsory education. These elements are labour market training, formal adult education, in-service training, university education, and trade union education. The focus of this paper is on the further education and training of employees in the industrial sector. Hence, in most cases, the further education and training of the labour force can be narrowed down to comprise in-service training in the sense that it concerns the education and training of already employed people. In Sweden, such in-service training may be done either in the enterprise or outside in institutions providing adult education and training.

4.2 Participation in Recurrent Education in Sweden

Adult education in Sweden is organized nationally and locally, is financed by different sponsors and through public and private support schemes, consists of a multiplicity of forms, programs and facilities, and serves a large and heterogeneous audience. As a result of this diversity, there are different approaches to classifying adult education. One considers the extent to which the government assumes financial responsibility for provision. Other criteria useful for classifying adult education are the institutional characteristics of programs, the audiences involved, the goals adhered to, and the procedures used to attain these goals.

An alternative classification could differentiate between education for the present job, education for a future job, and education for a leisure activity. Another possibility is to distinguish between aspects of consumption and investment in adult education. Even though it is difficult to classify programs of adult education by subject area, a content continuum could be proposed that would range from curricula concerned with leisure, culture and democracy, to curricula conferring qualifications of relevance to the occupational or educational career. A related classification could distinguish between, first, leisure- and job-related education and, second, credential and non-credential education.

In Sweden, Job-related adult education includes some of the programs conducted by labour unions, as well as the education and training provided in working life by employers. It also includes labour market training schemes, which usually provide vocational training for people of at least 20 years of age who are, or who run a risk of becoming, unemployed (Swedish Ministry of Labour, 1988). Other types of job-related adult education, which confer credits or instrumental qualifications, include higher education programs, certain courses provided by municipal adult education authorities and folk high schools, and distance education programs.

Consumption-type adult education is not only furnished by the voluntary study circles associations but also by the Swedish folk high schools, municipal adult education authorities and the media. Consumption-type adult education conferring credits or formal qualifications includes short courses and other non-degree programs of study offered by institutions of higher education. Education of this type is also provided to students enrolled in some of the programs conducted by the municipal adult education authorities and institutions for distance education.

In Sweden, large numbers of women and men are now being exposed to systematic educational experiences in the years following their exit from the formal system which provides initial education and training. Consequently, as is indicated in Figure 5, the level of formal educational attainment of the labour force has increased markedly since the early 1960s.

Insert Figure 5

The data in Figure 5 show the distribution of educational attainment by age groups in the Swedish labour force from 1960 to 1986. Due to limitations in the data, information about the distribution of education in 1966 could not reliably be broken

down in a corresponding way. The diagram shows that the relative share of poorly educated people in the labour force, namely, those who have less than the equivalent of what today is modern mandatory schooling, decreased from 65 per cent in 1960 to 23 per cent in 1986. On the other hand, the proportion of relatively well-educated people, who were educated in either upper secondary schools or universities and colleges, increased from six to 31 per cent during the same period (Tuijnman and Sundin, 1989).

Compared with most industrialized countries, enrolment in adult education was probably high in Sweden already during the 1960s (Tuijnman, 1986). Studies describing the extent of recruitment to adult education during this period are few. One survey found sizable imbalances in the participation rates of men and women, different age groups, and workers in different occupational positions and segments of the labour market (LO, 1969). As a consequence of the deliberate policy to encourage adults to undertake further studies, overall enrolment both in higher education and in programs of adult education and training has increased enormously since the 1960s. For example, the number of registered students in higher education rose from 37 000 in 1960 to 162 000 in 1987 (Statistics Sweden, Statistical Yearbooks).

However, it should be added that about one-third of the students enrolled in universities and colleges study only single subjects in courses of a brief duration. During 1974, six per cent of the people constituting the labour force received training during working hours, compared with 26 per cent during 1987 (SCB, 1988a; SCB, 1988c). Furthermore, during 1975, 28 per cent of the adult population between 20 and 74 years of age participated in some educational activity, including in-service training and hobby courses of a short duration. The comparable figure for 1985 was 35 per cent (SCB, 1988c). In part as the consequence of the quantitative expansion of in-service training in recent years, the aggregate enrolment rate of the population between 18 and 64 years of age was close to 50 per cent during 1987 (Abrahamsson and Sundin, 1988).

Because adult education is aimed not only at raising the level of educational attainment in the population but also at equalizing opportunities and outcomes between age cohorts, it is important that the contribution of adult education to the growth of formal education on average present in soiety be examined. Using data principally gathered by Statistics Sweden (SCB, 1985), Sundin and Tuijnman (1988) attempted to estimate the annual contribution in the 1980s of formal and less-formal adult education to the mean level of educational attainment of the population comprising the labour force. Formal adult education was defined as including municipal adult education, university education, correspondence studies, and some of the courses offered by the folk high schools. Among examples of less-formal adult education are the study circles run by the voluntary adult educational associations, in-service training in internal labour markets, and the larger part of public labour market training.

The central result of this study (Sundin and Tuijnman, 1988) was that the contribution of formal adult education to the growth of the mean level of educational attainment in the labour force was 75 per cent of the advance attributable to the less-formal sector of adult education. The difference was by and large due to the extraordinary volume of education and training financed by employers. However, because the official equivalence rules used in Sweden equate a two-month training program in the workplace with a two-year vocational program at the upper secondary level of the school system, the estimates of the contribution of less formal adult education could be considered inflated. As expected, adult education has been much less important than youth education in raising the overall level of educational attainment of the labour force.

Using aggregate cross-sectional data and crude assumptions about drop out, overlap and average length of participation, Sundin and Tuijnman (1988) estimated that, in the period from 1981 to 1986, participation in programs of adult education had each year increased the level of educational attainment of one per cent of the labour force by the equivalent of one year. Compared with the total volume of adult education provision in Sweden, this estimate may appear unimpressive. It should be borne in mind, however, that a four-category measure of educational attainment was used in the study (see Figure 5). Hence, in order to advance from one level of educational attainment to a higher one, a substantial amount of educational experience was needed. In addition, it should be noted that one per cent of the labour force corresponds in Sweden to about 45 000 people (Sundin and Tuijnman, 1988).

Figure 6 shows the quantitative growth the Swedish learning society has experienced from 1960 to 1987. It should be noted that a logarithmic scale is used, so that the trends shown are indicative of exponential rather than linear growth. Besides the number of men and women in the labour force, the Figure also indicates the number of individuals who each year took part in an educational activity, the number of study circles organized each year, enrolments in upper secondary and higher education, enrolment in municipal adult education and basic education for adults, the number of trainees reached by labour market training schemes each year, and the number of employees involved in personnel education and training each year. A note of caution should be made because, due to double counts, there may be some over-estimation. As the evidence presented in this figure indicates, the past three decades have witnessed a nearly exponential growth in the extent to which people in Sweden have taken part in programs of adult recurrent education. As a result, the costs of providing such education have probably increased enormously.

Insert Figure 6

The central implication of the trends shown in Figure 6 is that, from 1960 to 1987, an increasing number of adults in Sweden have had the opportunity to acquire adult education and training. It should be noted that, by 1987, recruitment to personnel education and in-service training had expanded to such an extent that it surpassed the enrolment of adults in any other form of adult education, including the study circles (Tuijnman, 1989). It may be assumed that this increased level of participation has had implications for the provision of equality of opportunity at large in Swedish society. Methodological problems arise, however, because estimates of the participation rate of adults in programs of education over time provide insights neither into the type of educational activities involved nor their duration.

Thus, even though an increased participation rate may imply a more equitable distribution of enrolment by home background or initial formal education, such statistics may also mask extensive enrolment disparities with respect to other criteria of assessment. For example, in an evaluation report written for the Swedish Ministry of Education (1985), Ahlén found that 80 per cent of all people who took part in adult education during the early 1980s enrolled in programs of only a brief duration. A particularly large social selection bias is found in recent studies investigating the recruitment of workers to in-service training programs in the public and private sectors of the labour market (SCB, 1988a; LO, 1989; Eriksson and Nilsson, 1989).

4.3 Participation in In-Service Training

Statistics Sweden (SCB, 1987; SCB, 1988) and Sven Sundin (1987 and 1988) have collected a set of data involving the types, volume, and duration of programs for the further education and training of the labour force (age 16-64) in Sweden. The data were gathered in connection with the Swedish labour force surveys conducted in the spring of 1986 and 1987. In collecting these data, SCB made use of the term personnel education and training, which is defined as comprising only those planned educational programs and in-service training activities which are either fully or partly sponsored by employers or their organizations. The data in Figure 7 show the distribution of personnel education and training by labour market segments and branches. The data indicate the number of days of training on average received by workers employed in these branches in 1987.

The data in Figure 7 indicate that the average length of participation in in-service training was just below three days per employee per year in 1987. It can also be seen that education and training in working life was much more common for workers in the public sector than for those in the private sector. One explanation for this difference could be that the consequences for the skill composition of the work force, as caused by the gradual transformation of the economic base of

society into an information- and knowledge-intensive market economy, become visible at an earlier stage in the service sector as compared with the more traditional branches of the industrial sector.

Another contributing factor could be that the level of formal educational attainment tends on average to be somewhat higher in the public than in the private sector. Hence, since attitudes to adult education, participation in adult education, and the level of youth education initially received, correlate to a high degree (Tuijnman,1989), it is possible that the attitude to education, both among employers and employees, is generally more conducive to further education if compared with the private sector. Moreover, it could be the case that it is easier for public sector employers to plan a few years ahead than it is for industry which, generally, is more dependent on the functioning of the market.

Further observations can be made on the basis of the data shown in Figure 7. First, the estimates indicate that those employed in small-scale enterprises in the private sector received less than half of the in-service training on average received by workers in other sectors of the economy. While this finding is not new since it confirms those of studies carried out in other industrial societies, it nevertheless raises numerous potentially controversial questions with regard to the social distribution of training opportunities. Another result worthly of comment is that the mean level of training provided in private manufacturing industries is found to be close to the average for the entire labour force, while declining industrial sectors such as textiles lagged behind.

Insert Figure 7

The estimates presented in Figure 8 indicate the percentage share of the total number of employees who, in 1987, participated in programs of personnel education and training, by sector of the labour market and duration of the training activity (SCB, 1988). It can be inferred from the data that 40 per cent of the workers employed in the energy sector received the opportunity to acquire further education and training. Almost 10 per cent of the workers employed in this sector participated in a training activity which lasted for more than one week. By comparison, 20 per cent of all employees in manufacturing received training, and 13 per cent of those employed in mining activities. Hence, it must be concluded that there are substantial differences both between branches

and between sectors on the labour market with respect to the provision of opportunities for education and training during working time.

It can be assumed that variations in the organization of training not only reflect differences in the extent to which new working methods, new work organizations, and new technology have been introduced in the workplace, but also differences in the level of profitability. Moreover, there is some indication that management style and interpersonal relations may influence the scope and volume of the training offered to employees.

Insert Figure 8

The influence of new technology on training provision can be inferred from the data provided in Figures 7 and 8. Workers employed in sectors such as forestry, agriculture and mining clearly received less training than workers in energy production, insurance and banking. Whereas 11 per cent of those in forestry and agriculture took part in employer-sponsored in-service training, close to 40 per cent of those in banking and energy production received such training in 1987. In the cases of banking and insurance, the relatively high participation rate in in-service training is explained as a result of the tremendous advances made in computerized administration systems. Both large banks and relatively small investment firms have invested the largest part of the funds available for in-service training in programs conferring information processing skills. Moreover, a number of studies of employee demand for in-service training in the banking and insurance sector show that introduction courses relating to the computerized administration and CAD/CAM systems are in very high demand.

Apart from the level of technology, other factors contribute towards explaining inter-sector differences in training provision in Sweden. Among these could be mentioned the overall level of profitability and prospects for expansion in the future. Figure 9 shows the number of people employed by the important sectors of the Swedish labour market in the years 1960 and 1980. The diagram also features a forecast of the distribution of the gainfully employed by sectors of the labour market for the year 2000. If the data in Figure 9 are contrasted with the estimates recorded in Figures 7 and 8, then the conclusion would seem justified that the provision of training opportunities in declining employment sectors tends to be below average while training provision in expanding

employment sectors is above average. This would appear to be true especially for the public labour market in general and for private services such as banking and insurance in particular.

Insert Figure 9

Further factors that could explain differences in the type and volume of training provision between labour market sectors and among industries are (Kalleberg and Leicht, 1988; Landell, 1989):

(1) ownership conditions,

(2) company size,

(3) development philosophy and type of development strategy pursued,

(4) time horizon for production,

(5) product complexity,

(6) task complexity,

(7) type of promotion system,

(8) number of ranks in the firm and type of hierarchical work organization,

(9) degree of market competition encountered,

(10) age distribution and the level of formal educational attainment of the workforce,

(11) the recruitment policy of the firm, and

(12) the manpower/technology ratio.

Table 1 shows representation indices and Gini coefficients describing the distribution, in terms of duration, of personnel training by formal educational background (Tuijnman, 1989). The representation indices point out whether a given group is over- or under-represented, and to what degree, with respect to the distribution of personnel education and

training. If the value of the index exceeds 1 then the group is overrepresented, if below 1 then underrepresented. The Gini coefficient is a statistic of the degree of distributional relative inequality across categories at once. The coefficient approaches zero for high levels of equality and has a value of 1.0 in cases of total inequality.

Insert Table 1

The data indicate that both participation in personnel education and duration of the activity varied markedly by formal educational background. Employees with less than nine years of formal education were much under-represented among those who had received training. By contrast, those workers who had initially received a level of formal education in excess of two years of upper-secondary schooling were over-represented. The values of the representation indices show that the differences tended to become greater the longer the duration of the training activity. Perhaps because the time span involved is so short, the Gini coefficients show no meaningful change between the years 1986 and 1987 in the participation rate of the workers with an initially low level of formal education. In general, the Gini coefficients indicate a high degree of inequity in the extent to which poorly educated workers were given the opportunity to take part in training activities lasting for three days or more.

It is interesting in this regard to note that 73 per cent of all workers in Sweden who received in-service training during the first six months of 1987 took part in programs organized by their own employers. Nine per cent of those who received training took part in programs organized by other companies (SCB, 1988a). Among these are workers employed in small-scale purveyor industries who received in-service training organized by the mother company. It should be noted in this regard that only four per cent of the workforce who received some training during the first six months of 1987 took part in training programs organized by the labour unions.

Finally, whereas there are clear disparities in the training participation rate of full-time and part-time workers, workers in different sectors of the labour market, and between companies within one and the same industrial sector, the degree of regional differences is surprisingly small. For example, 21 per cent of the workforce residing in sparsely populated areas in the north of Sweden received training during the first half of 1987, as compared with 28 per cent of the workforce living in one of the three major

cities in Sweden (Göteborg, Malmö and Stockholm). Furthermore, as can be seen from Figure 13 (see Part 8), the overall distribution of employer-sponsored in-service training by gender and by main trade union affiliation is highly unequal.

It should be added that the labour unions in Sweden organize several different educational programs in working life, usually with a focus on aspects of industrial democracy. These programs are either voluntary or, in some instances, called for by law. For example, during 1987, about 10 per cent of the membership of the Swedish Trade Union Confederation (LO) participated in such educational programs (LO, 1989). Figure 10 shows the percentage of the total membership of the metal union (Metall) who took part in educational activities organized by this labour union from 1945 to 1985.

Insert Figure 10

4.4 Intra-industry Differences in Training Provision

Figure 11 shows the percentage of the membership of the Swedish Trade Union Confederation (LO) which received some in-service training during the first six months of 1987, broken down by branch organizations. It can be seen that 50 per cent of those employed in insurance firms received such training, while 10 per cent or less of those in working in building construction and food processing received initial or further training on-the-job (LO, 1989). Moreover, about 19 per cent of the members of the metal workers' branch organization received in-service training, compared with 30 per cent of those employed in the paper processing industry. Because the data control for trade union affiliation, it must be concluded that there are significant intra-industry differences in training provision in Sweden.

Insert Figure 11

Figure 12 shows the distribution of the membership of the metal union (Metall) by three industrial sectors and the number of days of in-service training on average received by workers employed in these sectors of industrial activity. It can be seen from the diagram that differences in the volume of in-service training provision are generally minor between 1986 and 1987.

Insert Figure 12

As the example of the total cost of education and training incurred by Volvo Enterprises demonstrates (see next section), introduction courses take a major share of the firm's training budget. Intra-industry differences in training provision could therefore depend, at least in part, on the time on average needed for workplace introduction and initial in-service training. It is to be expected that introduction programs in, for example, the electronics and telecommunications industry take relatively more time and resources than introduction programs in mining industry or building construction. Hence, even though there is no direct evidence available in Sweden, it might be postulated that intra-industry differences in human resource development will co-vary with the time it on average takes for a new employee to become fully productive and efficient on the job.

That intra-industry differences in training provision co-vary with factors such as profitability, age composition and the level of formal education of the workforce is demonstrated by Landell (1989). For example, Landell found that, within the manufacturing sector associated with the private labour market, high profit industries had a significantly greater proportion of workers younger than 30 years of age and a lower proportion of workers older than 50 years of age. Not only was the mean level of formal education in high profit manufacturing industry higher than in low profit industry, but the former also invested more resources in the further education and training of their workforce. However, the greater investment in further training was not only regarded as an investment in human capital. It emerged that high profit manufacturing industries with a relatively young and well-educated workforce used the provision of opportunities for further education and training as an important element of an active recruitment policy.

4.5 The Costs of Adult Education and Training

Table 2 presents estimates of public recurrent expenditure on education by different sectors from 1970 to 1986/87. It should be noted that the data include expenditure at central, regional, and municipal levels. In 1986/87 their shares of recurrent expenditure were 60 per cent, 5 per cent and 35 per cent, respectively (SCB, 1988). It can be seen that the post-mandatory sector of education received nearly 50 per cent of the recurrent budget. If expenditures on upper secondary and higher education are excluded then the share of the total recurrent budget available to adult education is about 13 per cent. This figure underestimates true public expenditure on adult education, mainly because it excludes the expenditure on workplace training incurred by employers in the public services sector.

A noteworthy new development is that some providers of adult education in the state-supported sector, including the National Labour Market Board, the municipal adult education authorities, and institutions of higher education have, since 1986, been encouraged by the government to sell their education and training programs to private enterprises and public sector employers. The expenditures indicated in Table 2, which reached about 7.5 per cent of Sweden's GNP in 1987/88, significantly underestimate true expenditure on education and training.

Insert Table 2

In a recently published report, the Swedish Trade Union Confederation (LO, 1989) estimates that the total costs incurred by employers in both the public and the private sectors of the labour market for the financing of in-service training and other programs aiming at the human resource development of the Swedish labour force totalled 20 billion kronor in 1987. (See Figure 13). According to the Swedish Employers' Confederation, this figure is an underestimate. In the same year, 1987, the state allocated an additional 9 billion kronor of the public budget to the system of formal adult education. Hence, expenditure on adult education and training probably reached 30 billion kronor in 1987, which can be compared with the 62 billion spent on the entire system of formal education in Sweden in 1987. (See Table 2). It can be concluded that the costs incurred for training in working life

are stupendous. It follows that Sweden has spent more than 10 per cent of its GNP on its system of formal education and training, including broad human resource development in the workplace.

Insert Figure 13

Nilsson (1987) has calculated the costs for human resource development (excluding on-the-job training) incurred by Volvo, one of the largest and most succesful of enterprises in Sweden. Three types of costs were estimated and added together, namely, the costs of introduction to the workplace, costs for education, and costs associated with trainees' incomes.

The important findings were that (Nilsson, 1987):

(1) Volvo's total expenditure on human resource development in 1987 was close to 1 billion kronor,

(2) the average cost of education and training per employee per year was 20,300 kronor,

(3) the average cost of education and training was equivalent to 17,8 per cent of total expenditure on salaries,

(4) the time spent on educational activities was between six and eight per cent of total work time in manufacturing industries owned by the Volvo holding company,

(5) about 14 per cent of work time was spent on education in technology- and information- intensive enterprises, such as Volvo Data, and

(6) half of the total cost incurred by Volvo for human resource development was spent in connection with introduction to the workplace.

Naturally, there are sectoral and intra-industry differences with respect to investment in development projects and programs for the further education and training of the workforce. Reliable data regarding the costs of further education and training are not readily accessible in Sweden, in part because the costs of "development" and "training" tend to be within the same category of spending. However, over the 1982 tax year, total expenditure on research, development and

training amounted on average to 5,2 per cent of the labour cost of large manufacturing industries in Sweden (Eliasson et al., 1986). This figure must necessarily mark substantial variations between firms and industrial sectors.

4.6 Individual-level Benefits of In-Service Training

An issue of substantive interest concerns the individual-level social and economic benefits from both schooling and job-related adult education in Sweden. Data on the economic returns accruing to investments in job-related adult recurrent education and in-service training are not readily available. However, in a recently published study, Tuijnman (1989) reports the findings of a fifty-year longitudinal follow-up of a cohort of Swedish men (N=671).

The cohort was initially surveyed in 1938. At that time, the men were shown to constitute a normal population with respect to criteria such as intelligence test scores and home background. Since the men were 10 years of age at the beginning of the study, sample selection bias was not a problem. Estimates of the effects of job-related adult education on the development of earnings in a normal population could be obtained because data were available for those who took part in adult recurrent education and training as well as for those who did not participate in such programs in a life span perspective. Thus, the influences of both youth education and adult recurrent education on occupational status and earnings could be estimated at seven occasions in the life careers of the men studied, namely, at 25, 30, 35, 40, 43, 52 and 56 years of age.

Figure 14 shows the effects of both initial schooling or youth educational attainment and job-related adult recurrent education on occupational status from 25 to 56 years of age. The estimates show that the direct effects of youth educational attainment on occupational status increase in magnitude during the period of trial establishment from 25 to 30 years of age. Even though this influence is estimated to decrease gradually thereafter, it should be noted that the direct effect of youth educational attainment on occupational status is still quite substantial at age 56 (0.32). The data also indicate that the influence of job-related adult education, which is measured by cumulating the experiences of adult education from early to late career, on occupational status increases gradually over time.

The influence of adult education received during the period from 30 to 35 years of age on occupational status at age 35 is significant but weak (0.13). Thereafter, this effect increases markedly in strength, reaching 0.44 at 56 years of age. It can be seen from the diagram that the cumulative but direct influence of job-related adult recurrent education on occupational status at shortly after 43 years of age surpasses in strength the direct influence of youth educational attainment. However, it should also be noted that the effect

of adult education contains a partial influence of youth education, since the latter influences the likelihood of participation in adult education. Hence, it can be seen from Figure 14 that total effect of initial education on occupational status is rather stable from age 25 to 56, once variations in cognitive ability at age 20 and differences in the amount of received adult education are held constant.

Insert Figure 14

Figure 15 shows the relative magnitudes of the total effects of both youth education and adult recurrent education on earnings from 25 to 56 years of age. It can be seen that the direct effect of youth education on earnings is not significant at 25 years of age. This finding replicates those obtained from other studies. However, youth education has significant influences on earnings at 30, 35, 40, 43, 52, and 56 years of age. The influence of youth educational attainment on earnings is greatest at 40 years of age. After this age a gradual decrease is observed until 56 years of age is reached. At this point in the life career, the direct effect of youth education on earnings is weak and barely significant (0.08).

Insert Figure 15

Whereas the coefficients associated with the direct effects of adult recurrent education on earnings are not significant at any stage in life career, important differences emerge once the indirect effects of cumulative adult education on earnings, as mediated by occupational status, are investigated. In this case, the total effects of adult recurrent education on earnings are statistically significant from 35 to 56 years of age. The total effects of job-related adult education on earnings increase over time. At 43 years of age, the total effect of adult education on earnings (0.19) is close to the estimate of the direct effect of youth education

(0.23). However, at 52 years of age, the effects of adult recurrent education on earnings (0.26) surpass in size the direct effects of youth education (0.19). As the indirect effects of youth educational attainment are comparatively small, the total effect of youth education on earnings increases until 40 years of age and decreases rapidly thereafter.

The finding that job-related adult recurrent education has an indirect effect on earnings implies that studies investigating the effects of adult education and training programs using short term indicators of program impact have underestimated the contribution of adult education, particularly since participants were usually not followed up over a sufficiently long period of time. Hence, studies which have ignored the possibility that programs of adult education and training may have significant indirect effects on earnings in a long term perspective seem misleading.

4.8 Implications for the Certification of Competences

As the results indicate that the occupational and economic returns from investments in adult recurrent education and training are rather substantial in Sweden in the long term, it must be concluded that instrumental qualifications and other credentials acquired by means of job-related adult education in Sweden are, somehow, taken into account in job promotion decisions in Swedish work organizations. As is the case in Japan, this finding serves as an illustration of the importance attached to on-the-job and in-service training by companies and public sector authorities.

Another noteworthy result is that the direct effects of job-related adult education on earnings are, although not significant, consistently negative. This indicates that the individual worker bears some part of the direct costs for training, as was hypothesized by Becker (1964). However, that a significant portion of the economic benefits of job-related adult education and training accrues to the workers concerned would seem to be beyond reasonable doubt.

Particularly in the United States, previous studies have found negative or insignificant training effects (See Barnow, 1987). This rather unanticipated result has generally been explained in two ways. First, it has been argued that the lack of individual-level pay increments subsequent to in-service training indicates that the economic returns to training accrue to the company and not to the worker. Second, some authors contend that the lack of a clear relationship between on-the-job training and earnings indicates that workers are not receiving such credits or qualifications from training programs as would be necessary in order to advance to a job with higher prestige and pay.

At least in so far the cohort of Swedish men studied by Tuijnman (1989) is concerned, these explanations are not convincing. Tuijnman (1989) shows that workers bear a part of the costs for training in the form of earnings foregone. It is

also found that training has a positive effect only in the long term perspective. Furthermore, the economic benefits from training seem to depend on the level of the job occupied.

The finding that job-related adult education and training have important effects on the occupational careers and earnings of a cohort of Swedish men in a life span perspective raises potentially controversial questions regarding the recognition and certification of skills and competences newly acquired. Whereas some authors have attempted to explain the apparent non-existence of a relationship between in-service training and earnings in certain countries as arising from the fact that such programs unually do not confer instrumental qualifications to participants, there is some indication that this interpretation is invalid in the Swedish case.

Sweden has for a long time been committed to the recurrent education development strategy. This strategy has entailed, among other things, that the vocational relevance of formal education has been strengthened, that the division between academic and vocational studies has largely been eroded, and that the relationship between formal educational credentials and certain professional occupations has been weakened. In fact, the Swedish Confederation of Professional Employees has published a number of monographs and reports concerned with the professionalization perspective in general and the role of work experience and in-service training in influencing career paths in particular (Westerlund, 1987).

Even though the issue of the certification of skills and competences acquired by means of in-service training and human resource development in the workplace is perceived both by trade unions and professional organizations as a problem in a number of industrial societies, the issue does not (yet) seem to incite much concern among the representatives of the labour movement interviewed for this study. This lack of interest may in part be explained because the Swedish labour movement is, at least to a degree, committed to a solidaristic wage policy, which is based on the principle of "equal pay for equal work", regardless of formal educational qualification. Another factor could be that the recurrent education strategy pursued in Sweden is aimed at abolishing terminal stages in the formal educational system by introducing sector choices, by opening up traditional programs of university study for adults as well as by organizing education in open modules and blocks. As a consequence, certificates and diplomas are frequently regarded as undesirable, since they are seen as limiting the free flow of individuals both in the labour market and in the recurrent education system.

4.8 Summary and Concluding Remarks

The estimates presented in this part of the study show that the contribution of both adult education and in-service training to the growth of the mean level of formal educational attainment in the Swedish labour force is significant. It is

concluded that this contribution is by and large due to the extraordinary volume of education and training provided in the workplace.

Apart from the level of technology, other factors contribute towards explaining inter-sector differences in training provision in Sweden. Among these could be mentioned the overall Figure 9 shows the number of people employed by the important sectors of the Swedish labour market in the years 1960 and 1980. The diagram also features a forecast of the distribution of the gainfully employed by sectors of the labour market for the year 2000. If the data in Figure 9 are contrasted with the estimates recorded in Figures 7 and 8, then the conclusion would seem justified that the provision of training opportunities in declining employment sectors tends to be below average while training provision in expanding employment sectors is above average. This would appear to be true especially for the public labour market in general and for private services such as banking and insurance in particular.

At a general level, the data indicate sectoral and intra-industry differences with respect to investment in development projects and programs for the further education and training of the workforce. A number of factors are identified that could, at least to some extent, explain differences in the type and volume of training provision between sectors of the labour market and among industries. Among these factors are the following: (1) level of profitability, (2) level of technology, (3) prospects for growth and expansion in the future, (4) ownership conditions, (5) size of the company, (6) development philosophy and type of strategy pursued, (7) time horizon for production, (8) product complexity, (9) task complexity, (10) type of promotion system, (11) number of ranks in the firm and type of hierarchical work organization, (12) degree of market competition encountered, (13) distribution of age levels, (14) level of formal educational attainment of the workforce, (15) the recruitment policy of the firm, and (16) the manpower/technology ratio in the firm.

The results obtained by Tuijnman (1989) indicate that adult education can provide for upward occupational mobility. This inference seems justified because the path coefficients estimated in the regression of occupational status on measures of adult education are positive and fairly strong, particularly in late career, even after the influences of home background, cognitive ability and youth education are held under control. Job-related adult education has a positive effect not only on the allocation of groups of people to distinct occupational and economic positions in society but, also, influences the intergenerational process by which the structure of relations to concrete production activities of a few occupational groups is maintained.

Part V

LABOUR RELATIONS AND COLLECTIVE BARGAINING

5.1 Introduction

It is a well-known fact that the degree of unionization in Sweden is very high compared with other countries. This is illustrated in Table 3, which shows trade union membership in Sweden as a percentage of the total labour force compared with averages for selected OECD Member States.

Insert Table 3

5.2 Employers' Organizations

There are in the main two employer organizations in Sweden which have the statutory right to negotiate collective agreements at the policy central level with representatives of the labour movement. The first is the Swedish Employers Confederation (SAF), which is the organization safeguarding the interests of industry and other private enterprises. The National Agency for Government Employers (SAV) is the second central employers' organization in Sweden. It represents the collective interests of public sector employers. There are other bargaining parties on the public labour market besides SAV. These are the Collective Bargaining Board for State Owned Enterprises (SFO) and the Association of Local Authorities.

5.3 Trade Union Organizations

At the central bargaining level, the labour movement is represented by three organizations. These are the Swedish Trade Union Confederation (LO), the Central Organization of Salaried Employees (TCO), and the Swedish Confederation of

Professional Associations (SACO), which also subsumes the Federation of Civil Servants (SR). Whereas both LO and SACO-SR have the statutory right to enter into collective negotiations and to sign binding contracts with employers' organizations at the central policy level, this is not the case with regard to TCO. The latter union comprises three separate "negotiation cartels." These cartels, which negotiate binding contracts with employers' organisations, are (1) TCO Section for State Employees (TCO-S), The Federation of Salaried Local Government Employees (KTK), and (3) the Federation of Salaried Employees in Industry and Services (PTK).

5.4 Bargaining Rules, Principles and Positions

In general, the bargaining position of trade union organizations is greatly enhanced by Swedish legislation. The negotiation strength is strengthened by laws which assert the rights of union representatives to have an influence on certain decisions made by employers at the level of the individual enterprise. Examples of such legislation, which are presented in the next parts of this paper, are the Co-Determination Act (MBL) and the Act on Security of Employment (LAS). With regard to training policy, it is important to discuss some of the general features of the bargaining process before presenting some specific examples.

Decisions influencing training policy are normally taken by representatives of the established unions. First, there are the collective agreements involving training policy. Second, workers can influence training policies through their representatives on the boards of companies. Third, employees may influence the scope of training policy through the enforcement either of specific laws or collectively-agreed contracts which specify the obligations of the parties involved. Good examples in this regard are the so-called Agreement on Efficiency and Participation in Development and the Act on Payment into a Renewal Account. Particularly the latter deserves attention, since this Act has a number of pervading consequences both for the functioning of in-service training policy in Sweden and for company-level negotiations with a focus on decisions influencing the provision of and recruitment to training programs.

The two trade unions with the largest membership, LO and TCO, have stated their demands regarding the aims, scope, financing and organization of personnel education and training. The main thrust of these proposals may be said to rest less with the economic growth objective pursued by Swedish industry, and more with the equality objective which calls for the redistribution of both resources and training opportunities from well-educated to poorly-educated groups in the labour force. The Swedish Employers Confederation generally regards this development as dangerous. Even though the bargaining partners representing employers and employees have expressed their willingness to settle the matter by means

of collective negotiations, there is a real possibility that agreement upon a contract will not be reached. Because the issues at stake are staggering, both in terms of their political complexity and the enormity of human and economic resources involved, it may well be that the government will be called upon to decide the aims, organization and financing of a national training policy.

5.5 Levels of Collective Bargaining

Cordova (1987 p. 307) identifies two meanings of the term collective bargaining, one broad and one narrow. In the broad sense, collective bargaining may be viewed as the process whereby interests become accommodated through bipartite or tripartite negotiations between representatives of employers, employees and governments. The aim is to reach a compromise or obtain a consession with respect to issues relating to labour problems, such as the conditions of employment and the working environment. The narrower meaning of collective bargaining is limited to bipartite negotiations leading to the conclusion of a binding contract. Hence, in this case, collective bargaining is viewed as a process involving negotiations between an employer or representatives of employers' organizations and representatives of trade unions, resulting in a written agreement. The main purpose of collective bargaining is the determination of wages and other conditions of employment, even though wider objectives may also be pursued.

Generally, the goal of collective bargaining has been one of determining wages and standardizing employment conditions. Until recently, wage bargaining has been conducted almost exclusively on a year to year basis. It has therefore been necessary to establish other channels of communication to solve strategic issues which have long term implications. However separated from the wage bargaining process these channels of communication may have been, it has happened in Sweden that dialogues involving policies for human resource development, which are conducted without formal connection with the wage bargaining process, come to fruition and lead to an agreement shortly after the process of wage bargaining has been completed. In connection with the 1988 round of wage negotiations between the employers' confederation and the various branches representing the labour movement, for example, agreements involving training policy were reached in the periphery of the wage bargaining process. However, the agreements themselves involve separate contracts which are not conditional on other agreements concerned, for example, with salaries.

5.6 Models for Negotiations Involving Training Policy

Different models for collective negotiations have evolved in Sweden in response to the need to implement formal procedures by which representatives of interest groups on the labour market can resolve disputes of interest and rights. Collective bargaining in Sweden is based on the principle of "consensus building," which is part of the Swedish approach in which matters of mutual interest are solved through discussion and negotiation. The origins of the model of collective bargaining used in Sweden reach back to 1938, when the famous Saltsjöbaden Agreement was signed. Already at that time, training issues were being dealt with. For example, the Council for Vocational Training, with representatives of both employers and the labour movement, was set up as a consequence of the Saltsjöbaden Agreement. Although many mechanisms of negotiation characteristic of the "Saltsjöbaden Epoc" (1938-1968) were dismantled during the 1970s, some of them have survived. Two essential parts of the Saltsjöbaden Agreement are still in existence today. These are (1) the Council for Work Environment and Work Safety; and (2) the Council for Vocational Training.

Even though the principles of negotiation are by and large the same across the levels and sectors of the labour market, some practical differences with regard to the conduct of bargaining exist between, first, the public and the private sector, and second, the central and local level of collective bargaining. By providing alternatives to conflict and to legislation as a way of resolving differences, collective bargaining has served a very important purpose in the Swedish model. Collective bargaining has been fairly successful in Sweden in that, despite the complexity of most issues and the regardless of the ideological differences between the negotiating parties, a large number of settlements have been agreed upon over the years.

With regard to training policy, negotiations at the level of the company are usually decisive. Contracts agreed upon at the central policy level, such as the Efficiency and Participation Development Agreement (1982), commonly only concern principles and specify the general rules for negotiations taking place at the company level. Because the outcomes of negotiations at the company level are decisive for the approach to training taken at the workplace, there are very substantial variations in Sweden in the volume and character of human resource development projects between sectors, branches and individual companies.

It follows from the above that there are different models of collective bargaining at enterprise level which correspond, at least to an extent, to the organizational structure of the enterprise. That is, negotiation processes involving training policy in divisionalized-type work organizations tend to be different from those in hierarchical-type and project-type organizations.

Collective bargaining involving strategies and policies for human resource development in industry takes place at different levels and through different channels of negotiation. There are several joint organisations or committees which have been set up in order to discuss problems

in the way of promoting the further education and training in working life. However, these committees should not be regarded as representing a forum for bargaining but should rather be looked upon as as platforms for discussion and clarification of issues and standpoints involved. In so far as education has been on the agenda of these joint working parties, the discussions have dealt almost exclusively with the vocational preparation being offered to students in the public school system and not with education and training in working life. For example, the issue of providing new recruits with a thorough introduction to the workplace, which has for a long time been a politically charged topic in Sweden, surrounded by much controversy between employers and the labour movement, has been beyond the scope of these joint committees.

Apart from general committees of the type mentioned above, there are also other fora for discussion. A good example is the council composed of representatives of employers, employees and the government which supervises the activities of the so-called Security Fund. This council, and the joint working parties which support its work, deal more directly with issues involving the further education and training of the labour force. The focus is on matters concerning employment security and the measures that need to be taken in order to avoid layoffs and friction. Human resource development in general and training in particular enter into these discussions because training programs are regarded as useful instruments to support and help employees with obsolete skills to acquire new competence of relevance to the activities of the workplace.

With respect to negotiations taking place between labour union representatives and management at the level of the firm, several different phases can be identified.

(1) The first step is generally to come to an agreement as to how much resources should be allocated to educational programs as compared with, for example, investment in research and innovation projects. It is probable that these decisions are principally taken by management.

(2) Once it has been decided that a certain amount of money is be used for the further education and training of the labour force, the next negotiation phase is entered. Here the main decision concerns the distribution of available funds. Important issues relate to the type of training programs to be organized and the target groups to be addressed. The findings of case studies of particular companies performed by Eriksson and Nilsson (1989) show that the hegemony of management tends to be somewhat less evident at this stage.

(3) Preceding the implementation stage, a decision has to be taken as to whether the educational program should best be organized internally or, alternatively, by an outside firm or agency. Again, the choice rests largely by management, even though the labour movement is capable of influencing the decision, especially in cases where the focus of the program is on basic education rather than production related skills.

5.7 Industrial Relations and the Role of Government

The role of the government deserves special attention in the Swedish case. With only two exceptions since the 1930s, the Swedish government has been led by the Social Democratic Party. This party maintains a close allegiance with the labour movement in general and with the Swedish Trade Union Confederation in particular. This situation is of especial interest in this study, not only because the Social Democrats have had a substantial influence on the design and elaboration of Sweden's welfare ideology. The special relationship between successive Social Democratic governments and the major labour unions deserves attention because it helps in accounting for some of the striking differences observable in the political orientation of educational, economic, social and labour market policies in place in Sweden compared to those adopted in other advanced industrial societies.

With regard to training policy, the government plays several different -- and in some instances contradictory -- roles. In the first place, the state is ultimately responsible for training provision in the formal adult education sector, including programs run by the National Labour Market Board and those called for under specific laws. Naturally, the state is capable of influencing the distribution of financial resources to this sector. Apart from control through the earmarked allocation of capital funds, the government can also steer developments in this sector either through legislative action or by emphasizing conformity with respect to the official objectives of adult education as endorsed by the Parliament (Marklund, 1987). In recent years, the prefered means of the government in influencing developments in the adult education sector would appear to be to stress conformity with respect to the endorsed goals of adult education (see Part IV).

This strategy poses problems, however, because there are no official objectives in existence today that can be used to steer the organization and operation of in-service training and other programs of human resource development taking place in the workplace. Hence, workplace training falls, at least to a large extent, outside the sphere of influence of the central government. Moreover, in recent years, the government has relaxed some of the rules binding providers of public adult education and training which today are allowed, within certain limits, to sell and buy further education and training on an open and competitive market. Hence, the capability of the government to influence the demand and supply of training and, not least, outcomes such as the social distribution of further education, is rather limited.

A further complication arises because the government is the largest single employer in the country. Hence, as an employing party, the government is subject to forces identical to those influencing private employers. These concern the perceived necessity of augmenting the flexibility and competitiveness of the Swedish labour force in pursuing the general economic goals relating to increased internal and external efficiency and cost-effectiveness.

The evidence presented in Part IV suggests that the public sector, at a general level, provides training at a level above that offered by employers in the private sector. Some data indicate that this relative advantage holds even for state-owned enterprises in telecommunications industry (Televerket). It has been suggested by some authors in the field that public sector employers regard the provision of further education and training as an element of an active recruitment policy. Since wages in the state sector tend, on average, to be lower than salaries in the private sector, public sector employers look positively upon human resource development in the workplace as a means of compensating for lower wages.

With respect to collective bargaining concerning policies for the further education and training of the labour force between representatives of industry and the labour unions, the Swedish government would seem to pursue a strategy of rather strict neutrality. The general impression seems to be that the state is reluctant to embark on a strategy aimed at regulating the training market. In this regard, government spokesmen have repeatedly stressed that the labour market parties should be given the possibility of choosing from a variety of options. One could, of course, speculate as to why the government has played a rather low-key role with regard to formulation of a national training policy (the Act on Payment into a Renewal Account notwithstanding). Important among these are political and economic motives.

5.8 Workplace Negotiation Processes

Eriksson (1989a and 1989b) and Nilsson (1989) have examined aspects of the collective bargaining process taking place between representatives of labour unions and management in a few Swedish firms. The purpose of these studies was to investigate, first, how training policies were implemented in these companies as a result of the passing by Parliament in 1984 of the Government Bill on Payment into a Renewal Account (see Part VI) and, secondly, if and to what extent this Act had had an effect on the social distribution of opportunities for further education and training in the workplaces studied.

The results generally indicate that there exists a wide heterogeneity in the approaches to training policy taken among industrial sectors and firms. The degree of diversity between the companies examined is of such magnitude that the authors decline to generalize as to the structural factors principally determining the formulation, implementation and the outcomes of policies for human resource development.

A general finding emerging from these studies is that the traditional "conflict model", according to which there are fundamental structural and political/ideological disagreements between management and labour at the level of the firm which determine, at least to an extent, the outcomes of collective negotiations focusing on training policy, is not fully capable of accounting for the atmosphere of harmony, pragmaticism and

rationalism that would seem to characterize the negotiation process. It may be useful in this connection to differentiate between distributive conflict, which arises in the process of deciding on the allocation of funds to further education and training and to groups of personnel, and structural conflict, which relate more to problems emerging from the interaction between the labour movement and management in the formal structure of the workplace organization. Finally, there is a third aspect of conflict, namely, conflicts arising from human interaction, which also play an important role in influencing the proceedings and outcomes of collective negotiations.

5.9 Conclusion

The issues and dilemmas which are implicit in the discussion above involve a variety of complex policy dimensions. These are briefly dealt with in other parts of the present paper. It can be concluded here that, despite the urgency of the need to develop a comprehensive policy for the further education and training of the labour force, no agreed upon set of general objectives for such policy has so far emerged from the Swedish debate.

Part VI

LEGAL ARRANGEMENTS FOR TRAINING POLICY IN SWEDEN

6.1 Introduction

During the 1970s and to some extent also during the 1980s, a great number of labour laws have been passed by the Swedish Parliament. Some of these laws have implications for training policy in general and for collective bargaining concerning the aims, scope, organization and financing of education and training in working life in particular. A summary of labour legislation which has a bearing on personnel education and training policy is presented in subsequent paragraphs. The following laws are mentioned: (1) the Act on Security of Employment; (2) the Act on Educational Leave; (3) Legal Arrangements for Study Finance; (4) the Act on Employee Participation in Decision-Making; (5) the Act on the Working Environment; (6) the Employment Maintenance Training Subsidy; and (6) the Act on the Establishment of a Renewal Fund.

6.2 The Security of Employment Act (1974)

The Security of Employment Act describes and limits the circumstances under which employers can dismiss their personnel, for example, in connection with cutbacks in production. The thrust of the law, which came into force on July 1, 1974, is that employees cannot be dismissed by their employers without a just and objective cause. Under this Act, employers are obliged to transfer a worker to another job within the enterprise or organization in lieu of dismissal. The second main point of the law is that, if there is a good case for dismissing employees, then layoffs should occur on the basis of the principle "first hired, last fired." Furthermore, the Act stipulates that workers past the age of 45 years should be given priority in decisions about continued employment. To this end, the Act contains a number of paragraphs stating the rights to employment protection of older workers and disabled persons. The County Labour Market Boards (länsarbetsnämnden) can encourage employers to provide employment for handicapped workers.

The outcome of the Security of Employment Act is that it has become more difficult for employers to dismiss workers without an objective and just cause. Hence, the introduction of this law has had important implications for training policy. Instead of merely dismissing less productive or

redundant workers, enterprises have been required by law to investigate the possibilities of training or retraining people for other jobs available within the company. The data concerning the volume of in-service training, which have been collected by Statistics Sweden since 1974 in connection with the Quality of Living Surveys (ULF), generally show a rapid increase in the number of employees receiving training on the job subsequent to the passing of the Act in 1974.

6.3 The Educational Leave Act (1974)

The Educational Leave Act was passed in Parliament in 1974 and came into effect on January 1, 1975. The law guarantees the right of employees in the public and private sector to obtain leave of absence from work in order to pursue studies. The Act stipulates that educational leave should be granted to workers who wish to pursue planned studies conferring some knowledge or skills which are, at least in part, based on formal methods of instruction or tuition. The right to educational leave applies also to those who wish to take part in educational programs run by the trade unions.

The Act does not put a limit on the period of time during which leave can be taken. Moreover, employees have the legal right to return to their former jobs after a shorter or longer period of study leave. If the period of educational leave has lasted for more than one year then the worker should inform his employer of his intention to resume his employment at least one month in advance. Furthermore, upon his return, an employee should be given back his former job or, if this is not feasible, another job with similar status and pay.

6.4 Legal Arrangements for Study Finance

Arrangements for the financing of studies and income maintenance are accommodated through separate Bills. For example, since 1976, employers in Sweden are obliged to set aside a fairly small payroll tax which is used to subsidise the educational activities organized by the voluntary adult educational associations, trade unions, and folk high schools. This money is also used to pay for study allowances for adults undergoing training (CSN, 1989).

At present there are at least eight different arrangements for the financing or subsidizing of costs incurred in connection with adult studies, including compensation for income foregone as a result of participation in further education and training during work time. The following are among the major ones: (1) grants from the County Labour Market Boards, (2) a general loan-grant assistance scheme which applies to all forms of post-compulsory education, and (3) a study assistance program primarily earmarked for use by adults

with little initial formal education (Swedish Ministry of Education, 1988).

- A maximum of 425 kronor per day per student can be granted by the Country Labour Market Boards (utbildningsbidrag). Over the 1988/89 budget year, the costs of this study assistance scheme totalled 2,8 billion kronor.

- Another grant is available from the the government for the financing of studies for unemployed adults (SVUXA). In this case, total expenditure was 68 million kronor in 1988/89.

- The total cost of the loan-grant study assistance scheme for adult students was 660 million kronor in 1987/88. Of this, 275 million kronor was used for adult studies at primary school level; 343 million kronor went to adult students taking courses at upper-secondary school level; and 42 million were allocated to adults studying vocational programs at technical colleges.

- Incidental study assistance is made available to adults who wish to undertake a shorter program of study which may last up to 10 days in a row or 240 hours. State expenses for this assistance scheme reached 154 million kronor in 1987/88.

- In 1986 a Bill was passed in Parliament according to which immigrants and refugees in Sweden were given the right to enroll in Swedish language courses while remaining in employment, for a maximum of 500 hours. Hence, the employee who takes part in such studies should continue to receive his salary. Over and above the direct and indirect costs incurred by employers, the state allocated study subsidies totalling 59 million kronor in 1987/88.

- Finally, all employees who are not eligible for any one of the subsidies or study grants mentioned above are entitled to receive support from the regular loan-assistance scheme for the financing of studies undertaken at primary, secondary and upper-secondary school level. About three-fourths of this support comes in the form of a loan.

6.5 The Co-determination Act (1976)

The Co-determination Act, which is also referred to as the Act on Employee Participation in Decision-Making, was passed in Parliament in 1976 and became effective from January 1, 1977. The Act contains rules regulating issues in many important areas. For example, it enhances not only the rights of association of both employers and employees, but also those of negotiation by forcing the parties involved in collective bargaining to attend meetings and to submit proposals for settlement of the issues in question. (See paragraph 32). The

Act also contains rules about the rights of trade unions to receive full information about the development of the production and economy of the enterprise (Lind, 1979).

It is important to note that the Co-Determination Act represents a framework law. It describes how negotiations between the social partners should be conducted at the local level and also which issues should be brought up for negotiation. However, because the Act does not, at least not in a binding way, describe what the outcomes of the bargaining process should be, local agreements vary from company to company (Swedish Ministry of Labour, 1977).

An important new aspect of the legislation is the expansion of the rights and obligations of collective bargaining and local or enterprise level negotiation. According to the law, employers are obliged to take the initiative in beginning negotiations with the trade unions at the company level before any major changes in the activities of the company can be made. The most important educational implication of a related legislation, namely the Act on Union Representatives' Rights, is that employers are obliged by law to provide the representatives of the trade unions with sufficient time off from their regular jobs in order to receive training in:

(1) general union affairs;

(2) business administration and industrial economics; and

(3) the statutes contained in labour laws regulating conditions of employment in general and the working life environment in particular.

It follows from the above that the Act has rather clear implications for training policy, even though it should be noted that the principal objective of providing training under this Act is neither to increase productivity through developing the work skills and competencies of the labour force, nor the development of human resources in a wider sense, but to create the knowledge base considered necessary for establishing industrial democracy. At about the same time as the Act was passed, Parliament decided to allocate public funds to both the employers' organizations and the trade unions in order to help them fulfil their legal obligations with respect to the dissemination of information and the organization of training activities. It should be noted that employers and the trade unions must be in agreement before a training program can be implemented under the Act.

6.6 The Working Environment Act (1977)

Next to the Co-Determination Act, the Law on the Working Environment is the most comprehensive and controversial labour

law in existence in Sweden today. The Working Environment Act, which replaced and complemented a number of older laws concerned with the working environment, has been in operation since 1978. In the opening paragraph it is stated that the work environment should be satisfactory with regard to the nature of work and the social and technological development of society, and also, that work should be organized in such a way that employees can influence their own conditions of work. Hence, the workplace and the work task should provide opportunities for close employee involvement and personal enrichment while on the job. It should be noted that the Act does not provide any definitions of terms such as "personal development". Because the Act on the Working Environment is, at least in part, a framework law, it presupposes that specific and binding regulations will be drawn up by negotiating parties involved in collective bargaining at local levels.

The law has several implications for the further education and training of the labour force. First, the law stipulates that employers are obliged to see to it that all workers have a good knowledge of the conditions under which they work. Hence, the act can be interpreted as stating that employers have the obligation to provide a thorough introduction to newly recruited employees. Second, the employer should ascertain that his employees have the education which is necessary to avoid injuries at the workplace. Third, the law explicitly forbids the employment of youth who have not completed their period of mandatory schooling.

6.7 The Employment Maintenance Training Subsidy (1984)

In 1984, Parliament approved an ordinance containing rules regulating the allocation of subsidies to employers who provide their work force with opportunities to participate in in-service training programs aimed to preserve and create employment opportunities. According to the ordinance, public funds can be used to subsidize training programs in industry and public services which principally aim to:

(1) counteract disturbances and interruptions in the production process which are caused by shortcomings in the level of skill and competence of the work force;

(2) avoid or reduce redundancy situations and prevent the loss of employment;

(3) contribute towards the strengthening of personal development of workers with little schooling or those who otherwise can be considered to be in a weak position on the labour market;

(4) contribute towards creating equality between the sexes in the labour market;

(5) provide in-service training for new recruits in the textile industry; and

(6) help newly recruited immigrants and refugees in the labour market.

The ordinance also stipulates that training subsidies can only be awarded to employers if they guarantee employment for those who undergo training, or alternatively, if the training activity is important for Swedish labour market policy generally. Applications for training subsidies are evaluated by the County Labour Market Boards, which are required to give priority in the allocation of public subsidies to those programs which provide further education and training for workers with a low level of formal schooling.

Another aspect of importance is that training subsidies can be made available regardless of whether the program is provided within the company or commissioned from outside. The regulations set the size of the subsidy at 35 Swedish kronor per hour for a maximum of 920 hours per trainee per two-year period. The results of a survey conducted by the National Board of Industry in 1986 indicate that the average cost of training was estimated to be about 180 kronor per employee per hour. Hence, the subsidy covers a significant amount of the total costs for general and specific training incurred by employers. Furthermore, it should be noted that the Employment Security Council also allocates financial resources for the training and re-training of employees who are in danger of becoming displaced as a result of the on-going process of organizational rationalization in the public service sector.

6.8 The Act on Payment into a Renewal Account (1984)

On 18 December 1984, the Swedish Parliament decreed that enterprises which had accumulated an adjusted profit in excess of 500,000 kronor over the 1985 tax year, should transfer the equivalent of ten per cent of their profit to a special account registered with the National Bank of Sweden. The law came about as the result of a compromise reached at the central level between the employers and the trade union organizations with respect to the 1984 round of collective wage bargaining. By the end of 1986, 5,2 billion kronor had been paid into the account. It was also decreed that these funds were to be used to finance development projects over a five year period.

It is important to note that the law was based on the use of economic incentives in that any capital paid into the account was exempted from taxation. However, because the Act stated that the account was not to bear any interest,

enterprises were more or less forced to come to terms quickly with the trade unions regarding the use of the funds. Hence, it can be inferred that one objective was to encourage companies to find ways of negotiating with trade union representatives in order to formulate and decide upon a policy for the further education and training of the work force. However, it is important to note that the Act on Payment into a Renewal Account did not define the scope and content of policies for human resource development in working life.

The law also states that the resources thus collected in the so-called Renewal Fund should be used to finance two types of development projects. These are, first, research and innovation projects which are related to the company's spheres of industrial activity, and second, projects concerned with human resource development in the enterprise. Enterprises which contributed to the fund and wish to use their capital to finance projects are required by law to submit an application for funding to the National Board of Industry.

Furthermore, the proposition (Proposition 1984/65:86) preceeding the law suggest that an application for the financing of an educational project should only be approved by the National Board of Industry if it can be shown that the planned education or training activity is not part of the regular in-service training program run by the enterprise. Thus, the idea was that, in principle, the account should only be used for the financing of educational programs which otherwise would not have taken place.

The Proposition preceding the Act on the Establishment of a Renewal Fund emphasizes that employers and representatives of trade unions should reach a collective agreement in a positive atmosphere and in their mutual interest. At the enterprise level, two basic issues must be settled. First, the parties should agree on the distribution of funds between research projects on the one hand and educational projects on the other. Second, a collective decision should be made about the development and implementation of education and training programs. Although it is not explicitly stated, the Proposition supposes that priority will be given to groups of workers with a low level of schooling in the design of educational programs.

It is of interest to note some of the major limitations of the renewal funds. As Eriksson and Nilsson (1989) point out, only about 20 per cent of all gainfully employed in Sweden work in firms with resources in a renewal fund. Secondly, the industrial sector has a greater share of the funds paid into the account (73 per cent) than its overall share of employment in the corporate sector (57 per cent). Furthermore, more than half of the money available within the manufacturing sector has been contributed by mechanical industry.

Table 4 shows the distribution of funds transferred into the account, as well as the number of workers concerned, broken down by major industrial sectors (Eriksson, 1989; Nilsson, 1989). It can be seen from the data that the funds and the employees involved are rather unequitably distributed.

The authors (1989 p. 25) conclude that there exists a distorted distribution of fund means with respect to social

class stratification in the sense that industries with a substantial proportion of technical and administrative personnel and a, by comparison, small workforce directly engaged in the manufacturing process are favoured, while industries employing a small share of technical personnel and a large blue-collar workforce are disfavoured. Eriksson and Nilsson (1989 p. 25) also note that a corresponding pattern is found with regard to workers' salaries. Industries with a relatively high wage level are overrepresented whereas those with comparatively low salaries are underrepresented.

Insert Table 4

It is of interest in this connection to note that large firms tended to hand in their applications for the funding of training programs and research and development projects to the National Board of Industry sooner than smaller firms. Moreover, many of these large firms had emptied their accounts within two years of the introduction of the Law on Renewal Funds. These examples show that large-scale profitable industries were generally quick in coming to terms with representatives of the labour movement. Possibly, this finding reflects the situation that larger firms have a more formalized and permanent system of labour relations. Thus, the system of labour relations in place in industry constitutes an important factor in explaining inter- and intra-industry differences in human resource development policy.

In the view of the labour movement in Sweden, although the Act has not fulfilled any of the high hopes which were attached to it, the Act has served at least three specific and useful purposes. First, it has provided legitimacy for a general debate in Sweden about the future of policies for formal adult education and human resource development in working life. Second, the labour movement has gained experience in relation to the difficulties of planning and implementation educational programs in the workplace. Third, the Renewal Funds have had importance because they have facilitated and encouraged the organization of introduction courses at the workplace. In the view of the Swedish Employers' Confederation, however, the benefits and experiences gained from the experiment with the Renewal Funds do not stand in proportion to the general costs of their failure.

6.9 Concluding Remarks

As has been pointed out above, particularly since the early 1970s, a number of laws have been passed by Parliament which have major implications for the further education and training of the Swedish labour force. Generally, these laws have come about in cases where employers and trade union organizations could not resolve their disputes over interests and disputes over rights through the process of collective bargaining. With respect to training policy, disagreement has been particularly pronounced with respect to co-determination about the content of educational programs and about the groups who are to receive such education.

Today, the conflict between the redistributive goals of training policy pursued by trade unions on the one hand and the economic revitalization objective adhered to by industry on the other, has come to the fore in the on-going debate about the aims, scope and organization of a national training policy in industry and in the public service sector. The question is one of the emphasis to be placed on the growth related goals of credential adult education as opposed to those of popular adult education. Furthermore, the issue of who controls workplace training is important if viewed from the equity perspective adhered to by Swedish trade unions.

The law about renewal funds notwithstanding, the government has sought to influence training policy mostly indirectly, that is, without resorting to legislative action. The government has relied on two means of influencing developments, namely, though the earmarked allocation of subsidies for training, and by emphasizing the responsibility of the parties on the labour market to settle disputes regarding training policy voluntarily, through collective bargaining at both central and local levels. The next part of this paper presents briefly the most important collective agreements involving in-service training policy reached between employers and trade unions on the Swedish labour market.

Part VII

NEGOTIATED CONTRACTS INVOLVING TRAINING POLICY

7.1 Introduction

As has been pointed out previously, a number of laws have been passed by Parliament in which the issue of the further education and training of the labour force is, either directly or indirectly, involved. It has also been mentioned that some of these Acts should be interpreted as representing framework laws. Hence, in these cases, laws are passed by Parliament which allow for room for interpretation and bargaining at lower levels in the system of labour relations. The overview of collective agreements between employer and employee organizations in Sweden involving human resource development presented in this part of the paper illustrate the workings of these so-called framework laws. Some of the collective agreements mentioned below are also based on the principle that concrete solutions must be reached through negotiation at the level of the individual enterprise.

7.2 Security Funds in the Private Sector

In 1973, a collective agreement was signed by representatives of SAF and PTK according to which Swedish employers are obliged to provide assistance to employees whose jobs are in danger of becoming redundant, either as a consequence of work reorganization or as the result of a major change in the skills required to perform the work task, such as would occur if complicated new technology were introduced in the workplace. The agreement requires all enterprises affiliated to SAF to pay an annual contribution into the Security Fund equivalent to half a per cent of total expenditure on wages (ILO, 1984). It should be added that SAF and LO signed a preliminary agreement in January, 1974, which forms the basis for a contract establishing a job security insurance scheme.

There are two main reasons why the Security Fund is of importance for the discussion about Swedish training policy. In the first place, the Fund is to be used for those who are running the risk of becoming redundant but who are still in regular employment. Second, the preferred means of dealing with the problem is to train or retrain employees and to transfer them to vacant jobs either within the same enterprise or in another firm. Hence, the fund has been used to help finance a particular type of training in internal labour

markets. The fund has also been used to assist people setting up businesses by providing them with initial capital for investment, marketing analysis and, in some cases, specific training.

In summary, the Security Funds are based on the principle that the trade unions and the employers set aside money to a special account which is operated jointly. The Fund pays for many innovation and development projects, including the financing of education and training in working life which are considered to fall outside the employers' normal responsibility for training. The agreement is a way by which trade unions and employers help each other in assisting those who are threathened with layoff or obsolete skills as a result of drastic change in the production system to acquire new competences. Because the Fund is used to finance education and training programs in working life designed to prevent people from losing employment, the Security Fund can be seen as representing an additional instrument of active labour market policy which, in this case, operates on the internal labour market.

7.3 Security Funds in the Public Sector

It should be mentioned that, following the example of the agreement involving security funds in the private sector, such funds have also been set up in the public sector. For example, a security fund was established in 1984 after an agreement to that effect had been signed between the federation of local employers in public services (Landstingsförbundet) and representatives of several trade unions, among which the Swedish Federation of Local Government Employees (SKAF), the Federation of Salaried Local Government Employees (KTK), and a branch of the Swedish Confederation of Professional Associations (SACO/SR-K). By 1989, the assets of the fund totalled 25 million. Because the agreement expires on December 31, 1989, the parties concerned are presently involved in negotiations regarding the future of the fund.

7.4 Working Environment Funds

A working environment fund was set up in 1971 to provide support for the financing of research and development projects as well as for educational activities aimed at improving aspects of quality of the working environment. The fund was initially financed by a levy corresponding to 0.155 per cent of the total wage bill.

Other funds were created in 1974 and 1980, when enterprises were required by law to pay 20 per cent of the profits exceeding 100,000 kronor to the National Bank of Sweden to form another work environment fund. The construction was

similar to the one used ten years later for the Renewal Funds. The amount paid was untaxed but no interest was paid on the capital. According to the statutes, the fund should be used for the financing of working environment investments which would help to raise the quality of the working environment beyond the threshold level required by law under the Act. Another aspect was that the Work Environment Act envisaged supplementation by collective agreements between employers and the trade union officials. Furthermore, the trade unions were given the right to veto investments using capital from the fund. The funds were to operate for a five year period, from 1975 to 1979.

7.5 Agreements Involving Co-Determination in the Workplace

The Act on Employee Participation in Decision-Making was passed by Parliament in 1976. In 1978 a basic agreement was signed between the parties in the public labour market to ensure equal treatment with regard to the regulations contained in the original legislation on co-determination. Further extensions of the basic agreement, parti-cularly regarding the rights and duties of employers and worker' collectives in relation to human resource development programs in the workplace were signed in 1984 (HÖK) and in 1986, when the agreement concerning personnel development for renewal and change (PUFF) came into effect.

Examples of agreements with far-reaching implications for human resource development in the public sector are those signed between (1) local government employers and concerned trade unions (MBA-KL), and (2) central government employers and trade unions (MBA-S). According to these agreements, employers are obliged to provide the education necessary for a thorough introduction of new employees to the operations of the workplace. In interpreting this law, one should keep in mind that half the costs incurred by Volvo Enterprises for human resource development were related to such orientation.

In contrast with the law on co-determination which applies to the private sector, these agreements include paragraphs which deal explicitly with the issue of human resource development in the workplace. For example, paragraph 14 states that employees should be given such opportunities and education as are needed to acquire the skills and competencis necessary to fulfil the work task in a satisfactory way. It is mentioned in paragraph 29 of MBA-S that personnel education and training refer to such educational activities as are called for in relation to the spheres of activity and operation of the employing public agency. However, it is also mentioned in this paragraph that personnel education does not include education of a longer duration which aims to confer basic knowledge and skills of the kind taught at the primary and lower secondary levels of the educational system.

7.6 Efficiency and Participation Agreement

The Efficiency and Participation Agreement between the Swedish Employers' Confederation (SAF), the Swedish Trade Union Confederation (LO), and the Federation of Salaried Employees in Industry and Services (PTK) was signed on April 5, 1982. The agreement, which emphasizes a positive attitude towards rationalization and the introduction of new technology in industry, is a contract demanding the parties to work together on the tasks to further develop the work environment, the organization of work, and the productivity of production systems, in order to create good working conditions and to improve the potential of Swedish industry to remain competitive on international markets.

According to the Swedish Employers' Confederation, the agreement can be adapted to meet local conditions and provide a basis for local agreements. Strong emphasis is placed on the idea that the further development of the enterprise and especially the improvement of existing technical and organizational systems is a common interest and a mutual responsibility of employers and employees at the local or enterprise level. Joint efforts should, for example, be focussed on increasing the opportunities of employees to (1) participate in the design and planning of their own work, (2) obtain financial and economic information and take part in discussions and follow-up of the progress and results of the activities individually and in working groups, and (3) further develop their occupational skills. Even though the Agreement covers many issues, development work should be primarily focussed on three main fields, namely, (1) the work organization, (2) technical development, and (3) the company's financial and economic situation and its resources.

The efficiency and participation agreement is important, not least because it is the only binding contract directly concerned with education and training policy in industry which exists in Sweden at present. The agreement specifies that employers who introduce new technology and working methods or who make certain other structural adjustments in the process of producing goods or services, are obliged to offer education and training to those employees whose work related skills and knowledge are in danger of becoming obsolete. The contract also specifies that the provision of this type of further training is under the obligation of the employer in question. The contract only describes and specifies principles. For example, the agreement does not set any time limit on the period of education and training to be offered. It only mentions that employers are obliged to assist employees in danger of losing their jobs by helping them to acquire other skills of relevance to production through training which should bridge the the transfer from one work task to another.

The attitude of the labour movement in Sweden towards the efficiency and participation agreement is only mildly positive. Although they regard the contract as an important step forward, they are not quite satisfied. In their view, since the agreement limits the obligations of the employers

only to the financing of training immediately related to the prevention of layoffs in the private sector, it does not take into account that many workers continually require education and training in order to maintain their skills and competences. Furthermore, the labour movement is unitied in their criticism that the agreement puts too much emphasis on education and training related to the requirements of production and too little on the need for general human resource development programs.

7.7 Concluding Observations

In recent years, a number of trade unions, such as SIF, have signed agreements with the Swedish Employers' Confederation that are, as far as education and training policy in working life are concerned, extensions of the Efficiency and Participation Development Agreement originally endorsed by SAF, LO and PTK in 1982. The main innovation in the agreement signed between SIF and SAF is that the paragraph that deals with education and development is not restricted to the training needs encountered in relation to the introduction of new technology in the workplace.

As examples of other recent developments involving policies for the further education of the labour force can be mentioned that new collective agreements, or in some cases extensions of agreements which already existed, have been negotiated in 1987, 1988 and 1989 between the Swedish Employers' Confederation and some trade unions, including the Swedish Factory Workers' Union, the Swedish Metalworkers' Union, and the Swedish Municipal Workers' Union. However, as will be explained in the next part of this study, even though the attitude of the Swedish Trade Union Confederation to these new developments is generally positive, the improvements are regarded as constituting only minor steps in LO's long term strategy for human resource development in working life.

SAF and LO have been involved in a very preliminary discussions about the possibility of extending the efficiency and development agreement into other areas. From LO's point of view, a new agreement should not only emphasize the need for training brought about by structural change in industry, but should also emphasize the role of human resource development as a strategic factor in production. This issue is also brought up by the labour movement in connection with the on-going discussions in Swedish society about the future development of the Job Security Act and the Co-determination Act. However, for several reasons including the controversy created by the demands of LO, SIF and SALF with respect to a minimum duration of training for all workers in the labour force, collective negotiations involving the possibility of extending the efficiency and development agreement to include also general principles for the organization and provision of human resource development projects in the workplace have, at present, by and large come to a standstill.

Part VIII

FUTURE TRAINING POLICY: VIEWS OF SWEDISH TRADE UNIONS

8.1 Introduction

With the exception of the Swedish Confederation of Professional Associations (SACO/SR) and some of the unions belonging to the Swedish Confederation of Professional Employees (TCO), the labour movement in Sweden would appear to have a common interest in the issue of the further education and training of the labour force. To a certain extent, the labour movement would appear to be in agreement not only about the desirability of expanding the system of education and training prevailing in the world of work, but also about the necessity of reforming certain aspects of the public system of formal adult education in Sweden. Some trade unions have put forward concrete proposals for the design and implementation of a future system of education and training in working life. One purpose of this chapter is to describe briefly some of these proposals and their implications for educational, social and economic policy.

This part of the paper is divided into three sections. The first is mostly concerned with the views and demands regarding education and training policy as advocated by the Swedish Trade Union Confederation (LO). However, it should be noted that the views with respect to training policy of the Swedish Association of Supervisors and Foremen (SALF) as well as the Swedish Union of Clerical and Technical Employees in Industry (SIF) are similar in a number of critical respects to the ideas expressed by LO.

This example serves to illustrate the point that many member organizations which formally belong to TCO, such as SIF and SALF, are in basic agreement with the strategy being pursued by LO. Hence, the second part of the paper, which deals mostly with the views of TCO with respect to training policy in working life, is shorter, since the views of TCO are often intricately linked with those of LO. The third part of the paper is mostly focussed on education and training policy in the public sector. Here, attention is mostly given to the views and concerns of SACO/SR, as well as to some members of the Swedish Organization of Professional Employees in Sweden (TCO).

8.2 The LO Working Party on Human Resource Development

Since the mid-1980s, the Swedish Trade Union Confederation (LO) has been increasingly concerned with developments in the area of the further education and training of the work force. In the autumn of 1986, this concern resulted in the initiative taken by the LO Congress to appoint a working party which was given a number of tasks. This working party consists of representatives of the general secretariat of LO and its various member organizations.

The working committee was given the following directives. First, to document the present situation with regard to education and training in working life. Second, to examine the present and future needs for further education and training of the labour force. Third, to present basic data and ideas about education and training policy which can serve as the foundation for decisions by the LO Congress about the scope, content and organization of a future strategy for the design of a system for personnel education and training. Four, to provide a background for decisions regarding the expansion and regulation of formal adult education. Five, to present concrete proposals for the financing of further education and training in working life.

The LO' commission of inquiry into the future of education and training in working life published its findings, proposals and recommendations in June, 1989 (LO, 1989). A summary of the main points in this report is presented in subsequent paragraphs and sections.

8.3 Summary of LO Report on Education in Working Life.

In the view of the working party, a transition to a knowledge- and information-intensive society presents both possibilities and dangers for members of the labour movement. On the one hand, possibilities are created, not least because new technology can be applied to improve employment conditions and work content. On the other hand, the move to a more knowledge-intensive society entails a risk for increased inequality. Because the quality of opportunities for participation in further education and training which workers obtain depend, at least in part, on their level of formal education initially received, there is a danger that inequalities, both with respect to opportunities and outcomes, will become more pronounced in the years to come, to the general disadvantage of many workers belonging to the Swedish Trade Union Confederation.

In order to achieve the goals of full employment and social equality, it is important that all workers comprising the labour force have a high, even and regular level of formal educational attainment. Moreover, a good knowledge of fundamental subjects such as swedish, english, mathematics and civics forms the basis for further learning. Hence, it is imperative that those who have initially received a short education and those who need to update their knowledge of fundamentals be given the right and the opportunity to study

these subjects up to the level presently taught to youths at the upper secondary level of the educational system.

However, in the view of LO's working party, there is not only a clear need among workers in the labour force to update and learn basic knowledge of a quality and qualitity that is equivalent to the education offered in the public educational system, but there is also a need to refresh work related competencies and to learn new skills required to perform the work task. It follows from the above that there is a clear and definite need to widen the opportunities of poorly educated workers to take part both in education and training in working life and in formal adult education. Moreover, regardless of how education and training in working life is financed, it ought to include broad and general education besides production-related training.

From the standpoint of the labour movement, it is of utmost importance that the distribution and scope of education offered in working life should be given a fairer distributional profile. Because the scope of personnel education is mostly restricted to narrow skills of relevance to employment and production, it is important that society should continue to expand and develop the formal adult education system, including labour market training.

Figure 16 shows the distribution of education and training in working life, by union membership (Sundin, 1988; and SCB, 1988). The data show that 50 per cent of those who belong to the Swedish Confederation of Professional Associations (SACO/SR) participated in some program of education or training, which was either fully or partly paid for by the employer, during the first half of 1987. By comparison, 36 per cent of the membership of the Swedish Organization of Professional Employees in Sweden (TCO) took part in such educational programs in working life, as against 18 per cent of those associated with the Swedish Trade Union Confederation (LO). These estimates are indicative of substantial inequalities in the area of education in working life. The data mask the finding that employees belonging to the SACO/SR trade union got on average six days of education per year, members of TCO four days per year and LO members only 2 days of training per year (SCB, 1988).

Insert Figure 16

8.4 Scope, Content and Organization of Education and Training in Working Life: The LO View

The LO working party has proposed the following goals for employer-financed education and training in working life (LO, 1989 p. 34-35):

(1) Personnel education and training should be aimed at broad and general human resource development;

(2) It should contribute not only to giving the individual wage earner security of employment but also possibilities to develop at work;

(3) It should help to create the preconditions the wage earner needs in order to be able to secure employment in accordance with the individual's situation, interest and capacity;

(4) Personnel education must contribute to fulfilling the general goal for educational policy, according to which each individual has the right to receive a good basic education;

(5) Education in working life should contribute to the goal of raising the level of educational attainment in the labour force;

(6) It should facilitate structural change and help to maintain competitiveness;

(7) It should be made available to workers throughout their employment;

(8) Education and training in working life should contribute to the goal of attaining full level employment and economic growth.

In order to achieve the goals mentioned above, the working party proposes that the following measures be taken to encourage education and training in working life. All wage earners should be given the right to a two-week period of employer-financed education and training per year. Participation in educational courses should take place during worktime. Those who do not make use of their time during a particular year should be given the right to save up their time until some later point, so that it may become feasible to study during a longer period in one stretch. Because education in working life is regarded as an issue for the social partners on the labour market, the working committee suggests that a basic agreement to implement the rules mentioned above should be negotiated between the social partners.

Apart from the plan outlined above, LO's working party has also proposed a plan of reform for the formal system of recurrent adult education. According to this plan, the links between formal adult education and education offered in the work place should be strengthened. That is, those who did not receive competencies in basic school subjects which can be

considered to be equivalent to the level of modern upper-secondary education should be given the right to undertake studies during working hours and with keep of pay that will enable them to acquire such competencies in four school subjects, namely, swedish, english, mathematics, and civic knowledge. The total duration of such education should not exceed 175 days of full time study.

In the view of the LO working party, this reform must be financed collectively by employers. In order to implement this working life reform, new legislation is needed. However, in order to guarantee total income maintenance for those who take the opportunity to study full time, society should also contribute. This aspect of the reform would require the passing of new legislation about the rules of study assistance in Parliament.

Even though TCO has not, at least not officially, commented upon the proposals of the LO working party, there is some indication that TCO will support the main elements of the plan outlined above. TCO, like LO, is very concerned about the implications of the information society for its membership. Therefore, TCO is of the opinion that it is necessary to design a long term strategy for human resource development, in close association with working life. However, one of the differences between LO and TCO is that the latter trade union organization is more interested in further education and training as a means for professionalization and specialization, while the former puts more emphasis on the role and importance of broad and general adult education as focussed on basic school subjects.

8.5 Education in Working Life: The Views of TCO.

Particularly since 1983, TCO has emphasized the importance of a broad strategy for human resource development in working life. Apart from work-related training, this strategy should also encompass widened opportunities for adults in the labour force to participate in general programs of adult education. Already in 1986, TCO put forward a request to the Swedish government to institute a State Commission of Inquiry to examine the future of education and training policy in working life. At the latest TCO Congress, which was held in the first week of June, 1989, prime minister Ingvar Carlsson promised that such a commission of inquiry would be appointed in the course of the autumn of 1989. Incidentally, the theme of the TCO Congress was "Our Knowledge Moulds Sweden's Future". The issue of education and training in working life was discussed during the 1989 Congress not only in relation to general educational policy, but also in connection with questions focussed on labour market policy, economic policy and industrial policy.

It is important to recall here that the Swedish Organization of Professional Employees in Sweden (TCO) serves as a umbrella organization responsible for the safeguarding of

the interests of member unions vis-à-vis other interest groups in society. TCO has not yet completed its own internal investigation. As a result, TCO does not yet have a strategy for human resource development to which all member organizations agree. Nevertheless, in the view of the TCO secretariat for education, training policy should be regarded as constituting an integral part of policy for human resource development. The latter comprises more than educational policy.

The goal of human resource development in working life should be to faciliate and encourage lifelong learning in the workplace by means of the restructuring of work organizations, the changing of work methods, and the upgrading of work content. Hence, with regard to the idea of the "learning enterprise," the view of TCO differs from the one adhered to by LO and is closer to the perspective of SAF. According to TCO, the extension of opportunities for education and training in the workplace is not the goal but the means for developing the workplace in such a way that work itself becomes essentially a learning activity.

The situation of TCO differs from that of LO with regard to three important aspects. The first two, namely the professionalization perspective and the idea of the learning enterprise, have already been mentioned. The third difference relates to the structure of TCO. Some trade unions which are associated with TCO, such as the Teachers' Union, have had fair opportunities for further education and training compared with other groups in society, including other trade unions associated with TCO. Hence, it can be expected that differences with regard to the average amount of further education and training received by workers belonging to different unions associated with TCO may have served to augment the expectations of other trade unions whose membership has been put at a relative disadvantage in terms of the distribution and outcomes of human resource development in working life. This may explain, at least to a significant extent, why the unions making up the TCO organization have, collectively, demanded the right of all employees regardless of sector and level of employment to receive a minimum of two weeks' education and training in working life.

TCO's active participation in discussions in society regarding the future of policies for training and broad human resource development in the workplace has led the organization to initiate and support a large number of innovation and development projects in various workplaces. The experiences gained from these projects show that the attitude of employers to education in the workplace is generally favorable. Even though the views of management and the representatives of employees were not necessarily the same, especially with regard to the content of education, the central problem was not to convince employers of the need to invest in education.

Rather, problems were encountered in relation to the analysis of educational needs of employees and the translation of these needs into concrete educational programs. However, the TCO experience shows that the philosophy of the management, the work organization, and the nature of the work

tasks, were factors that influenced significantly the organization and eventual success of educational programs in the workplace.

Because the needs of the company with respect to education and training in the workplace are not necessarily congruent with the educational needs of the workforce, it is in the view of TCO important -- and in the long run inevitable -- that employees must have the right of co-determination with regard to the scope, content and organization of educational activities which are paid for or otherwise sponsored by employers. Another reason why trade unions should be given real opportunities to influence decisions involving education and training policy is that education in the workplace should also benefit those with little schooling, those with parttime employment, and those who are on leave for legitimate reasons such as sickness. A third standpoint is that formal rules are needed to guide the redistribution of resources for education and training in working life to the advantage of small-scale enterprises and companies without good profits. Moreover, TCO considers it pressing that the Swedish definition of a short educated person be revised so as to take into account that the level of formal schooling an individual has acquired initially does neither present any clue as to that person's need for human resource development in the workplace nor as regards the need of that person for formal adult education.

Urgued by its member unions, not least the Swedish Union of Clerical and Technical Employees in Industry (SIF), TCO has put forward the suggestion that two weeks of human resource development during paid worktime per employee per year should be regarded as a minimum right. It is argued that almost all employees require substantially more than just a two week period. This proposal is based on the principle that human resource development in working life is a necessity and a right for all. It should furthermore be noted that the key concept in this proposal is related to broad human resource development programs and is not confined to education and training in working life.

LO agrees with TCO that the importance in the future of a good knowledge of school subjects such as languages and mathematics is likely to increase. Hence, TCO underwrites the demand made by LO that priority must be given in the further development of formal adult education to workers in the labour force who do not have competencies in these basic subject areas that are equivalent to the upper secondary school level. However, the Swedish Confederation of Professional Employees goes one step further than LO in that the former considers it necessary that a specific time horizon be decided upon during which this education should be given. In this regard, a 10-year period is considered useful.

TCO's secretariat for education and training is not overtly optimistic with respect to the expectation that the right to an absolute minimum period of human resource development in industry (2 weeks), as well as the right of co-determination and the goal of redistribution, can be attained by means of collective bargaining agreements with employers at the central policy level. It follows that TCO does not negate the

possibility of being forced to demand for legislation in the area of human resource development in working life. Legislation may be the only way of establishing rules to guarantee that all workers will receive a minimum of education and training in working life. Moreover, legislation may be required in order to solve the basic problem of how human resource development in the workplace during working time, as well as the expansion of formal adult education, should be paid for.

8.6 Education in Working Life: The Views of SACO/SR

The issue of human resource development in working life is, in the view of the Swedish Confederation of Professional Associations (SACO/SR), important for a number of reasons. SACO/SR has the obligation to guard the interests of its members with respect to further education and training. In this perspective, SACO/SR is against professionalization by means of education and training in working life. The goal of training policy in the workplace is, in the view of SACO/SR, to maintain and update the competencies and skills an employee needs in order to function well at work. The purpose of extending training opportunities in working life should not be to educate people into the professions.

It is the opinion of SACO/SR that competencies and skills must be acquired first and foremost in the formal system of education. However, because the workplace changes in relation to the introduction of new technology, there is a need for the periodic refreshing and upgrading of skills and competencies obtained through the system of formal education. Thus, education and training in working life is seen as a complement to formal education and not as a supplement. It follows that SACO/SR is concerned with the development that employers increasingly commission educational programs for their employees from traditional universities and other institutions of higher education.

There are at present three major central level agreements in the public sector which bring up the issue of education and training in working life. As has been pointed out in previous parts of this study, these contracts concern the co-determination agreement, the security of employment agreement, and the contract regarding the design and operation of the State Renewal Funds. The latter was signed in 1987 between the National Agency for Government Employers (SAV) and trade unions active in the public sector, including SACO/SR.

The agreement on renewal funds in the state sector does not contain the suggestion that priority should be given to the poorly educated in the use of money from the fund to organize education and training activities, as is the case with the renewal funds in the private sector. On the contrary, the agreement specifies that the funds should be used for education relating to the needs of the agency in relation to

its areas of activity. It is the opinion of SACO/SR that the collective agreement on the initiation of renewal funds in the public sector is satisfactory.

The three agreements mentioned above indicate that the issue of education and training in working life is being dealt with in the public sector both in a short and a long time perspective. In principle, the long term goal of policy for human resource development should be based, in the view of SACO/SR, on the idea that the basis for work-related competencies and skills should be laid outside the workplace in the system of formal education. However, there should be exceptions to this rule, such as in the cases of the education of army officers, policemen, customs officials and tax experts.

According to SACO/SR, education in working life must be determined by factors relating to the complexity of the work task. Hence, it is justified and sensible that those who have had a long and very costly education such as medical doctors, receive opportunities for further education in relation to their need for competence maintenance. It cannot be helped that this type of further education is both more expensive and time consuming than the education needed by most other groups in the labour force.

Part IX

FUTURE TRAINING POLICY: THE VIEW OF SWEDISH EMPLOYERS

9.1 Introduction

Since the late 1950s, the Swedish Employers' Confederation (SAF) has repeatedly emphasized the idea that education cannot be separated from the sphere of general economic life. Even though the scarcity of empirical evidence on the quality and strength of the exact links between investments in education, productivity increases and the generation of economic growth is acknowledged, Swedish industry has nevertheless willingly invested substantial financial resources in educational programs principally aimed at augmenting the occupational skills, flexibility and competencies of the work force. It should be inferred from the above that Swedish industry has a long-standing interest in issues involving the further education and training of the labour force.

In the view of Swedish industry, the primary goal of investing financial resources in the further education and training of the work force is to increase productive efficiency by maximizing a desired mix of outputs for a given level of economic inputs. Thus, the provision of education and training in working life is seen, first and foremost, as a strategic investment in intangible human resources which should produce appreciable monetary as well as non-monetary benefits.

Hence, because the immediate purpose of investing capital in programs aimed at developing human resources is to generate economic growth by augmenting the efficiency, flexibility and quality of producing marketable goods and services, the Swedish Employers' Confederation tends to regard the demands presently being made by the labour movement in Sweden to reallocate financial resources, and to redistribute training opportunities from well-educated to poorly educated groups, as an unfortunate and dangerous development. According to the Swedish employers, the resources which are presently used for the financing of innovation and development projects in industry, including education and training programs, are crucial to the continued success and indeed the long term survival of Swedish enterprises on increasingly competitive foreign markets. That this concern is not entirely without grounds is indicated in Figure 17, which shows the growth of GDP in Sweden as compared to that of the OECD average during the period from 1960 to 1986. It should be noted that Sweden's GDP growth slowed down even further during 1987 and 1988.

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insert Figure 17

It follows that any development which is interpreted by industry as interfering with the strategic function of investing in intangible resources is considered undesirable. In the view of industry, the labour movemment attempts to weaken the economic objective of education and training in working life by emphasizing the importance of the redistributive goal. However, the reallocation of funds available for strategic investment in industry in order to subsidize consumption-oriented education is regarded by the Swedish Employers' Confederation as entirely contrary to the development needs of industry and, hence, as contrary to the long term interests of Swedish society -- in so far as these depend on industry as constituting a dynamic and income generating force in the Swedish economy.

9.2 Training Policy: Climate for Collective Bargaining

Compared with the 1970s, the past decade has witnessed a gradual but significant improvement in the quality and frequency of contacts between the Swedish Employers' Confederation and the various member organizations of the labour movement. To an extent, this applies especially to the general climate for discussions concerned with the future goals, structures, and financing of in-service training and policies for human resource development in working life. In this context, it should be pointed out that training policy constitutes a natural topic for discussion between unions and employers, both centrally and locally.

As a matter of strategy, the Swedish Employers' Confederation attempts to avoid having to negotiate contracts with the various organizations of the labour movement at the same time around the same bargaining table. In the area of training policy, the employers have sought to reach very broad agreements with the labour movement. The idea is to agree on basic principles and to set up a broad framework of rules, which allows for flexibility and space for interpretation and decision making at the level of the individual company.

In collective bargaining and other negotiation processes involving training policy in the workplace, the labour movement demands the right of co-determination with respect to decisions involving the further education and training of the labour force. The Swedish Employers' Confederation does not regard such co-determination as necessarily harmful. On the

contrary, a basic agreement to work together, in an atmosphere of mutual respect, on developing and implementing a new strategy for human resource development is regarded as a precondition for establishing a well-functioning training system; a system which contributes to the creation of more favorable working conditions and a better work organization, as well as fostering productivity.

However, the Swedish Employers' Confederation also emphasizes that cooperation or co-determination involving education and training policy in working life is destined to fail unless the labour movement is willing to accept the principle that the primary goal of training, and thus also the scope and content of educational programs financed by industry, should be first and foremost related to the immediate as well as the future needs of the production system.

In the employers' view, the arguments brought forward by the radical wing of the Swedish labour movement do not consider training in working life as a much needed input into the economy. Rather, the redistribution of education between individuals, groups, and the various segments, sectors and branches of the labour market is regarded as a means for achieving a general redistribution of political and economic resources in society at large. In order to achieve such a redistribution, the unions seek not only to exercise control over the present and future sub-systems of further education and training, but also to control the economic returns and other benefits that may, eventually, accrue from such an investment in human resource development.

Some of the joint working parties and councils have attempted to define the concepts "in-service training" and "human resource development". The failure to arrive at general definitions indicates, in the view of the Swedish Employers' Confederation, that issues relating to the content, purposes and costs of training in industry lend themselves neither to generalizations across the various segments and branches of the labour market, nor to operationalizations within a single enterprise. In the employers' view, the areas implicated by the terms personnel education, in-service training, and human resource development in working life are diverse and indeterminable. As a consequence, it is considered doubtful whether it would be useful to attempt to find generally valid and applicable rules to control developments in this area. In summary, the attempt to steer training regardless of special circumstances, needs and divergent interests of the various companies and industries involved can, in the view of employers, only result in rigidity and, ultimately, in disaster.

In conclusion, the ensuring of a sufficient supply of appropriately skilled personnel is regarded by Swedish employers mainly as the responsibility of public education. Situations where employers may need to assume responsibility for the financing of personnel education and training in working life are related to the demands of production and similar rationales, such as the introduction of new technology in the workplace.

9.3 Training in Industry: Ramifications and Proposals

The Swedish Employers' Confederation is agreed that it is important to attempt to raise the present level of education of the labour force. However, the responsibility for doing so should rest first and foremost with society. This implies that it should by and large be done within the public system of education. In the employers' view, plans to achieve a general lift in the level of formal education in society by modifying and expanding the current training systems in the world of work are unrealistic and unattainable for both economic and practical reasons. There is a consensus among the members of the Swedish Employers' Confederation that industries should not invest their resources in general human resource development programs which are not related, either in the short or the long run, to production-oriented work tasks.

Hence, Swedish employers would like to avoid being forced to accept a situation in which the labour movement is allowed to attempt to realize its ambitions with regard to the further education and training of the labour force by manipulating both working time and the financial resources of industry. Rather, the employers would prefer to take the long term view that the level of education in society be raised gradually as a consequence of the influx of young recruits into the labour market who generally possess a level of education that exceeds that of the retiring population. Naturally, the effect of this policy would be that some people would be left with less education than other people.

Naturally, this situation poses a political and a social problem. However, employers do not want to be blamed for this problem. In the view of the Swedish Employers' Confederation, the situation is different with respect to the educational needs of people in the labour force who are, as a consequence of technological change and other developments taking place in the organization of work, threatened with redundancy or unemployment. In this situation, Swedish employers are willing to assume a part of the responsibility for providing such people with the education or training they require in order to become skilful in another area of production.

In the employers' view, training should be given a concrete goal and content at the local level. A system of collective bargaining most useful to the needs of industry would comprise at least three levels. At the central level, broad agreements about training policy should be negotiated among the social partners. These agreements should set the framework containing the rules and parameters for bargaining between the local partners at the managerial level of the individual company. Hence, decisions as to the goals, content, organization and cost of training programs should best be left to the local parties to negotiate and decide about. Then, at the third level of the bargaining system, management and employees should together explore the needs for further education and training existing in the workplace and should find solutions in the common good and interest of both parties. This

bargaining system would require a separate collective agreement at the central level between the Swedish Employers' Confederation and each of the major negotiation blocks of the labour movement.

A bargaining agreement that would impose strict rules with regard to the organization and financing of the further education and training of the Swedish industrial labour force in its entirity would, in the employers' view, be counter-productive to the needs of both employees and employers, and would change training from being a dynamic force for change to a hindrance to the full realization of the growth of Swedish companies. Given the many profound differences which exist between companies and branches in the industrial sector, it would not make sense to institute rules which would make it compulsory, for example, to invest a given minimum in educational programs for all categories of personnel each year. If a firm invests considerable resources and time in the organization of training programs for two years in a row, because the firm has changed work organization, products, or market orientation, then it would be understandable if the firm would cut down on investments during the third year. It follows from the above that the organization of education and training in working life should, in the view of industry, depend on the following factors:

(1) the type of industry concerned;

(2) the skill composition of the workforce in a particular company;

(3) the products and strategies envisaged in the medium term (two years) and long term (four to five years);

(4) the arrival in the enterprise of new technology, and

(5) new methods, materials, and a new work organization.

In the view of the Swedish Employers' Confederation, the labour movement in Sweden aims at finding a way of regulating the organization and distribution of education and training in working life regardless of the needs for education in specific companies. This approach poses a problem not only for employers. As the experiment with the Renewal Funds has shown, the level of profitability differs widely both within branches and between sectors. Hence, in the view of employers, the trade unions do not want to face reality, which is that the economic structure and especially the profitability of enterprises cannot be guaranteed.

It follows that the strategy adopted by the labour movement in Sweden is, in the view of employers, divorced from reality. According to the Swedish Employers' Confederation, one prerequisite for arriving at an agreement involving training policy through collective negotiations at the central level is that the labour movement has to accept that Swedish industry

is competing on an international market. This market principle inherently implies that particular firms and companies have low profits and, hence, have only little financial space for investing funds in human resource development projects.

9.4 Training in Low-Profit and Purveyor Industry

The organization of training courses in industry is not an amateur affair. It demands a thorough analysis of the needs for training of different categories of personnel. Once this need is identified, it requires the operationalization of training needs into practical training programs. It also requires that the time-work budget has to be surveyed with the aim of finding the time for training without disrupting the production process. In the view of Swedish employers, this means that, even though there may be a positive attitude to training and a willingness to invest in training, some employers regard training as impractical. Hence, as has been shown in Part 5 (Fig. 7 & 8), there are significant differences between sectors, branches and even individual firms. One reason is that, in larger companies with good profits, a consultant may be hired to do the job of assessing training needs and organizing courses. However, in small-scale enterprises and particularly in companies without good profits, it is often not feasible to employ someone to be responsible for training.

The problems of organizing training in purveyor industry is increasingly being recognized in Sweden today. These problems arise because most small-scale enterprises neither have the means nor the organizational and administrative structure to set up training programs. Hence, it is becoming common that an industry which sells a certain product or machine also sells the knowledge required to operate the product. Other solutions are also being sought. For example, in corporations and large industries, mother companies are increasingly assuming responsibility for the organization of training courses for purveyor industry, including the production of instruction materials. Large firms and also branch organizations use these materials in courses led by trained experts in which small-scale firms and purveyors are encouraged to take part for a low cost. The problem of training in small-scale industry is also recognized by the State Board of Industry (SIND) which, with the help of large companies, is setting up a plan of action to assist small-scale enterprises in the financing and practical organization of education and training programs.

According to the employers, there is a cost problem which relates to the budgeting practices commonly used in industry. Today, firms can usually only recover the costs of training in one budget year. Only the relatively large enterprises can afford to invest money with a long term pay off. For most small-scale firms, this approach is not possible. Hence, in the view of the Swedish Employers' Confederation, there is a need to consider a a system which would allow small-scale

industry to deduce and write off investments in intangible resources across a number of years.

In order to stimulate human resource development in enterprises with low profits, two approaches can be taken. First, one could consider examining ways by which society intervenes and subsidizes a part of the training cost. Society would then be able to counter-balance in favor of people who are in danger of being left out of training in working life. Second, one could attempt to find ways of making it more attractive for companies to invest resources in the further education and training of the workforce. Hence, the second strategy would be to look for ways to make it in the best interest of the company to take time off production for training, because it would give them a financial advantage of some kind. In the view of the employers, economic incentives should be part and parcel of a system for training in working life. Such incentives are not only needed for the individual who is willing to undergo training but also for the company which is willing to invest resources in the further education of its workforce.

9.5 Proposal for the Financing of In-service Training

In the view of the Swedish Employers' Confederation, much of the money which is technically being spent on training activities is in reality being spent in nonproductive ways. For example, education and training programs are sometimes being used as a fringe benefit and as a stimulation and reward. It is clear that this causes problems for the education investment thesis. The reason why this problem occurs is not so much that employers and employees would be uninterested in training as such, but rather that they regard it as being too difficult, expensive and time-consuming to analyse what kind of competencies are needed in the company in the not-too-distant future, and to translate these needs analyses into a training program.

As a result, what happens in many companies is that the issue of the further education and training of the work force is being discussed and agreed upon in broad terms by management and worker' representatives. Then, when it comes to practice and action, the problems start. In the end, to solve the problems, employees are sent off to programs with an unclear educational profile. The example given above serves to illustrate some of the problems being encountered in industry with regard to the design and implementation of training programs. It indicates, for example, that the financing of training programs is only one of the problems. At least as important is the fact that a professional framework for educational planning is required.

Swedish employers may be interested in exploring, together with the trade unions, the possibility of financing education and training in working life by using accounts rather than

central funds. The advantages and disadvantages of two models could be examined, namely, accounts at the enterprise level and accounts at the level of the individual worker. In the case of the latter, employers would contribute to these personal investment accounts if were also required to contribute from their own income and, especially, their own leisure time. These accounts could then be used to finance education in working life of a broad and general nature.

Moreover, companies could be approached to create their own investment accounts for human resource development, so that a part of the profits of today can be set aside for the financing of production-oriented training required tomorrow. In the view of the Swedish Employers' Confederation, industry could probably be persuaded to agree to such accounts, provided that the government would provide some economic incentives and that the trade unions would agree to a model by which the companies can decide freely on the use of resources and time for the organization of training programs. However, if society would set constraining parameters on the use of resources in such accounts, then employers would be reluctant to proceed further with any negotiations involving policies for human resource development in industry.

In the view of Swedish employers, education and training are crucial to the survival and future prosperity of industry in the country. Moreover, an expansion of the volume of training may be required. However, in the view of the employers, this expansion can by and large be accommodated within the budgets presently available for investment in human resource development. Because expenditure on education already surpasses ten per cent of GNP in Sweden, the Swedish Employers' Confederation argues not for a further increase in overall public and private expenditure, but rather for the use of quality control measures to ascertain that no resources are being wasted. Hence, rather than an increase in expenditure, which would both practically and politically be very difficult in a situation of slow economic growth, a collective agreement should be reached among the parties making it possible to use the resources presently available for training in a more effective and efficient way.

9.6 Conclusions

The Swedish Employers' Confederation is aware of the fact that the arguments being brought to bear on the issue of the organization of personnel education and training by strong interest groups in society, not least the labour movement, have a redistributive goal. The resources are to be used for the financing of general education and training for groups which have initially received a short formal education. Industry, from its own perspective, is unwilling to partake in negotiations about the financing of general, not production-related, education by using resources which are needed for

investment in such types of activities as make Swedish industry more productive and competitive both on Swedish and foreign markets.

In the view of industry, a prerequisite for employers to sit down at the negotiation table and discuss the future of training policy in working life with representatives of the various trade unions is that the negotiations will begin with a clean sheet. In this respect, employers view the demands put forward by LO, SIF and SALF with regard to a minimum of two weeks of personnel education and training per employee per year, as offensive and destructive. In the employers' perspective, no constructive solution can be negotiated with these provocative demands on the agenda. If the trade unions are unwilling to back off from the demand that all workers in the labour force should receive a minimum of two weeks of broad based education per year, to be conducted during work time and to be paid for by employers only, then negotiations will be unsuccessful.

During the 1980s, the government has regarded the issue of the further education and training of the labour force as the principal responsibility of the social partners, and has, as a consequence, not actively taken part in the discussion concerned with future policies for human resource development in industry and in the labour market at large. However, now that the prospects for reaching a constructive agreement have diminished, a more active role is required from the government. In the view of the employers, it is of crucial importance that the government attempts to persuade the labour movement to moderate its demands.

In summary, in the employers' view, the prospects for reaching a satisfactory collective agreement with the labour movement about issues involving the goals, content and distribution of training in working life depend on the willingness of the trade unions to accept the following.

(1) A climate conducive to constructive cooperation between trade unions and employers is required.

(2) Hence, ways of working together for the collective good have to be found.

(3) The goals for the further education and training of the work force should be defined in relation to the goals and requirements of production.

(4) Thus, ways must be found to adapt the content of training to the needs of the individual enterprise and the different workplaces it may contain.

(5) In order to pursue growth and development objectives which are in the interest of all concerned, practical decisions about the purpose and the content of training should be negotiated by management and employees within the firm.

(6) The key to establishing a beneficial and dynamic training policy in industry is the creation of a "training culture" based on the idea of the "learning enterprise".

In conclusion, the role of the Swedish Employers' Confederation and the trade unions should not only be to create an atmosphere conducive to cooperation for the common good at lower levels of the bargaining system, but also to assist in the promotion of a training culture by emphasizing the benefits of human resource development in industry, by facilitating the exchange of training experience, and by advertizing successfully-implemented training programs and other innovation projects.

Part X

CONCLUSIONS

10.1 Training Policy in Collective Negotiations

Training policy clearly features as an important issue for negotiation in workplace agreements in Sweden. The different trade union organizations (LO, TCO) as well as branch unions such as metals, SIF and SALF have in a variety of documents expressed their concern about further education and training of the Swedish labour force.

The scope of collective bargaining in industries and firms has been greatly enhanced by the introduction of specific labour laws. Those with major implications for collective bargaining concerning training policy are the Act on co-determination in the workplace and the Act on payment into a renewal account. Especially the renewal funds have had institutional effects on negotiation processes in industry. This Government Bill has made it possible for labour unions to influence the formulation and implementation of training policy in Swedish firms. However, as only 20 per cent of all employed in Sweden work in companies with access to renewal funds, these institutional effects on the negotiation process may have been limited to relatively prosperous and large enterprises which, as a rule, had a co-determination system of labour relations in operation already before the introduction of the Act on Payment into a Renewal Account.

The approach to training policy in Swedish industry does only to an extent reflect national legal provisions relating to change in industry. Sweden has a -- by international standards well-developed -- legislation regarding the right to leave of absence from work for study and income maintenance during periods of study. In this regard it should be mentioned that recurrent education, full-level employment and equality of opportunity are among the goals pursued by the government. The right to receive further education and training in not yet endorsed by legislation. However, there are specific labour laws which apply in cases of unemployment and which focus on specific target groups, such as the unemployed workers, the handicapped, and those threathened with unemployment mainly as a consequence of technological development.

Where legislation is concerned, the perspective taken is generally much wider than that associated with further education aimed at avoiding redundacy situations. So far, the labour laws introduced in Sweden since the 1970s have tended to have redistributive implications regarding both power over important decision-making processes (industrial democracy) and influence concerning the allocation of resources and benefits.

In the case of collective bargaining agreements, the focus has been on training for competence and skill development. As in other OECD societies, training has been organized in close relation to the perceived or actual needs of the production system. Most of the further education and training offered to workers in industry as a part of a firm's regular investment strategy has been of this kind. For strategic and political reasons, the capacity of the labour unions to influence the design and implementation of regular training policies at the level of the firm by means of collective bargaining has been limited.

It is important to note that unions organizing blue-collar workers and those representing white-collar workers are, at a general level, united in their demand for increased democracy with respect to decisions influencing the provision and social distribution of opportunities for further education and training in working life. However, case studies of specific firms have shown that this unity often does not exist at the level of the firm where, depending on both structural and personal factors, the fractions representing blue- and white-collar workers may adhere to opposed interests.

Political and ideological differences notwithstanding, the evidence of in-depth studies carried out in Swedish firms has shown that the conflict model, according to which management, blue-collar and white-collar workers are opposing each other in pursuing separate interests, is too simplistic. Even though admittedly not much is known about the intensity of any conflicts existing before agreements are made public, many examples can be found in Sweden where the different parties have been successful in reaching agreements providing for constructive approaches to the further education and training of all categories of personnel making up a firm's workforce.

10.2 Regulation of Training Policy

Given the nature of the differences which exist between labour markets, industrial sectors, companies, and individual people, attempts to regulate education and training in working life at the central policy level can only involve very general rules in a very broad framework. Provided that it is regarded as beneficial and proper to search for solutions to steer training at the central policy level, then the framework mentioned above would involve three policy elements, namely,

(1) the decision about the definition of a minimum base for education and training in working life,

(2) the decision about the shaping of means for government intervention through public subsidies and economic incentives, and

(3) the decision about the rules required to guide the distribution and allocation by employers of funds for human resource development projects.

With regard to the definition of a minimum base for education and training in working life, the following should be taken into consideration. For practical as well as ideological and strategic reasons, the goal of establishing a minimum threshold level of two weeks' training per employee per year may, in the long-term perspective, neither be in the interests of employers nor in those of employees. For example, it should be kept in mind that other demands have also been put forward which, if accepted, would cause a further reduction of worktime in the economy. The passing of a law or the reaching of an agreement about the right to use a part of worktime for studies may well jeopardize the sixth vacation week or other proposals such as the extension of paid maternity leave from one year to one and a half year. Hence, the possibility of instituting a more flexible strategy which allows for more individual choice regarding the use of time for leisure, work or education, should be investigated. Perhaps the time has finally come to investigate seriously the advantages and disadvantages of the drawing rights solution proposed by Gösta Rehn (1973, 1974 and 1983) or the individual entitlements scheme advocated by Henry M. Levin (1983).

Because any set of general rules decided upon at the central level can neither prescribe how education and training programs in working life should be implemented, nor what they should contain, it is imperative that actual policy decisions involving the overall strategy for human resource development be taken collectively at the company or agency level between employers and representatives of trade unions. However, decisions about the content and duration of training in working life can not be taken without involving the individual who is to receive such education or training.

Hence, because the framework required to regulate training policy extends from the societal level to the workplace and the individual, the scope for designing and implementing legislation in the area of training in working life would appear to be very limited. Legislation can probably only designate the principles for distributing education and state subsidies. If this is true, then the responsibility for deciding upon the general framework of rules needed for the regulation of training in working life rests largely with the social partners. Thus, it would appear that the training controversy in Sweden can in the long run only be solved by way of negotiation.

10.3 Financing of Training Policy

As has been indicated above, decisions about education and training policy in working life are taken at several levels.

It would therefore seem natural to consider the design of a strategy for the financing of further education and training in working life which would demand a contribution of some kind from each of the parties involved, namely, (1) society (government), (2) the employer, (3) the trade union, and (4) the individual.

It would seem just to adopt the principle that the employer should be responsible for the financing of education and training programs which can reasonably be considered to relate either to the present or to the future operations of the workplace. In this respect, it may be necessary to emphasize the importance not only of education and training related to the immediate work task, but also of training designed to maintain the skills and competences of the work force at a level well above the minimum threshold set set by the demands of production.

However, for a strategy which seeks to encourage employers to invest in the general education of their workforce to be successful, economic and manpower incentives would seem to be a first requirement. There is some evidence in this regard that employers have more problems with accepting a system that allows employees to study during worktime than with the idea that they would have to make some contribution towards the financing of an expanded system of formal adult education. Therefore, it could very well be easier to persuade employers to contribute to the financing of general adult education if employees on their part accept to undertake at least a substantial part of their studies during their leisure time. Perhaps, one could consider a system that would allow employers to consider studies undertaken during leisure time as "overwork," for which a taxation-exempted extra salary could be paid out from a special investment fund.

Special rules may be needed to safeguard the interests with regard to education and training in working life of employees who have initially received a short formal education. Because the ideological dimensions and financial implications of a strategy for redistributing educational resources are immensely complex, the State Commission of Inquiry into Adult Education, which will be installed by the government in the autumn of 1989, should come with suggestions on how these complexities are to be dealt with.

A solution must be found for the financing of training in small-scale industries and enterprises. Inevitably, because any constructive solution will require the transfer of both human and financial resources, both society and large-scale companies with good profits will probably be required to contribute. The option of instituting a central training fund, to be jointly managed by the contributors, should be examined.

With respect to the financing of general adult education, it would seem desirable that the responsibility rests first and foremost with society. This would require, first, an increase in public expenditure on education, and second, the passing of new legislation in Parliament which would make it both easier and more attractive for people who are employed to secure leave of absence for study. Hence, if the present rules

for study leave are altered in order to encourage more people to revert to adult education, then a new fund or scheme for income maintenance must be designed and instituted.

However, in order to further expand the system of general adult education presently in existence, resources are needed. As a consequence of the zero-growth budget facing public finance, and also, in anticipation of the tax reform which is planned for the early 1990s, it seems doubtful whether public expenditure on general adult education can be substantially increased without a cut back on expenditure in some other area of public spending. Therefore, three options are open. The first involves the designation of a policy area where society might be better served if resources are reallocated in favor of general adult education. The second option would be to find resources outside the public budget, for example, by introducing or raising users' charges in general adult education, or by redistributing funds from industry to general adult education. The third option would involve some combination of the first and the second strategy.

The use of funds available in the private sector, mainly industry, to finance or subsidize some part of the expansion of formal adult education, for example through the commissioning of particular educational programs, would seem to depend, at least in part, on the ability and willingness of managers and teachers in the system of formal adult education to provide for the kind of education which is in demand on the market.

10.4 Training Policy: Prospects for the 1990s

The design of a model most useful for the financing and organization of education and training opportunities in working life is a very complex matter. It involves the making of choices by weighting the relative importance of a number of factors. A central issue is the choice between education for investment and education for consumption. Other choices concern the trade offs between efficiency and equality and between the redistributive goals adhered to by the labour movement and the economic growth objective pursued by Swedish industry. Yet another difficult choice relates to the allocation of time for purposes of work, leisure, and education. The question is not only one of determining whether or not it would be feasible, given the situation on the labour market and economic and demographic circumstances, to take time off from the worktime budget. The issue also involves the making of a choice between, for example, the use of time for education and training or for instituting a sixth vacation week.

Given the complexity of these issues, it would seem that a constructive solution with regard to the scope, organization and financing of a future system of education and training in working life can not be found unless there is a broad general consensus on these issues among interest groups in society.

Because such a solution would have to guarantee individual freedom of choice as well as the right of both employers and workers' collectives to influence future developments, the role of the government would first and foremost be to facilitate dialogues between the social partners on the labour market and between interest groups at large in society. Given the state of affairs on the labour market at present, and given the magnitude of the social, political and economic implications of a national training policy, the government should probably not remain passive, but rather, should seek ways to actively encourage dialogue, for example, by giving some indication of the parameters within which discussions would have to take place.

10.5 Need for Explanatory Research

A concluding observation would seem to be in place here. If claims mentioned in support of recurrent education and training in working life are examined in terms of their significance for educational systems and labour markets, then the conclusion would probably be that the implications are stupendous. Despite the widely-adhered to conviction that job-related adult education has a significant direct effect on productivity and provides benefits in the form of increased competitiveness and augmented earnings, information about the nature and magnitude of these linkages is very scanty. Hence, it would seem imperative that policy-makers in Sweden as well as labour organizations should more actively seek to encourage research workers to undertake investigations involving issues with a bearing on the "logic" of the strategy of recurrent education for improving the equality and efficiency of training, developing and utilizing human resources.

Table 1

Workers' participation in personnel training by formal educational background, 1986-1987 (representation indices, Gini coefficients)

Formal Educational Background	Year	No Training	Duration of Training Program: <1-2 Days	3-5 Days	1-4 Weeks	> 4 Weeks
< 9 Years of Education	1986	1.14	0.59	0.56	0.48	0.26
	1987	1.15	0.66	0.56	0.43	0.30
9 to 10 Years of Education	1986	1.05	0.85	0.78	0.73	0.88
	1987	1.07	0.90	0.75	0.70	0.84
2 Years Upper Secondary	1986	1.03	0.96	0.88	0.92	0.78
	1987	1.03	0.88	0.92	0.97	0.74
> 2 Years Upper Secondary	1986	0.86	1.38	1.50	1.56	1.68
	1987	0.85	1.33	1.47	1.54	1.66
Gini Coefficients	1986	0.06	0.17	0.20	0.23	0.28
	1987	0.06	0.13	0.20	0.24	0.27

Notes (a) The representation index points out whether a given group is under or overrepresented, and to what degree, with regard to the distribution of personnel training. A value less than 1.0 in magnitude signifies underrepresentation, and a value exceeding 1.0 overrepresentation. (b) The Gini coefficient is a statistic of relative inequality across all categories at once.

Source of data: SCB

Table 2

Public recurrent expenditure on education 1970-1987, by sectors (in 1986 prices, in % of total recurrent expenditure)

Budget Year	Public Recurrent Expenditure (% of GDP)	Mandatory Education %	Upper Secondary Education %	Higher Education %	Adult Education %	Labor Market training %	Other Sectors %	Public Recurrent Expenditure (m SEK)
1970/71	7.6	51.3	15.6	12.5	3.4	5.2	12.0	39 689
1972/73	7.7	45.2	16.3	12.8	5.2	8.3	12.2	45 899
1975/75	7.2	52.7	16.8	12.8	5.0	7.8	4.9	45 965
1976/77	7.3	54.0	16.5	12.5	5.4	5.7	5.9	51 980
1978/79	8.6	54.0	15.0	11.2	4.4	8.7	6.7	59 069
1980/81	8.8	52.4	16.6	11.2	6.1	5.6	8.1	61 797
1982/83	8.6	51.9	17.0	11.7	5.2	5.0	9.2	58 239
1984/85	7.8	47.2	20.0	12.8	6.0	3.5	10.5	60 280
1986/87	7.5	47.7	19.1	12.9	5.8	4.7	9.8	62 095

* including expenditure on special education

Source of data: SCB

Table 3 **Trade union membership as a percentage of total labour force**

Country	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Sweden	—	—	—	—	—	—	—	—	—	75	76	77	77	78	79
Denmark	—	—	51	51	51	55	58	61	63	66	68	69	—	72	73
Finland	—	—	—	—	—	—	—	—	—	—	—	—	—	—	68
Belgium	—	—	—	—	—	—	—	—	—	—	—	63	—	—	—
Luxembourg	—	—	—	—	—	—	—	—	—	—	—	62	—	—	—
Norway	—	—	—	—	—	—	—	—	—	—	—	—	—	56	—
Australia	—	—	43	45	46	46	45	43	43	—	—	—	—	—	43
United Kingdom	—	44	45	45	46	47	47	49	50	50	48	45	43	42	—
Italy	—	—	—	—	—	—	—	39	39	40	39	—	—	—	
New Zealand	35	—	—	—	36	37	37	37	38	39	40	39	40	39	—
Ireland	—	—	—	—	—	—	40	—	—	40	—	37	—	—	—
Germany	31	—	—	—	—	33	33	34	35	35	35	35	—	—	—
Netherlands	—	—	34	34	35	35	35	35	35	35	34	32	—	—	—
Japan	23	—	—	—	—	24	—	—	22	22	22	22	22	—	—
France	—	—	—	—	—	—	—	—	—	—	—	19	—	—	—
United States	23	22	22	22	22	21	20	20	20	—	—	—	—	16	15

Source: EEC, National Statistical Yearbooks. OECD, 1987

Table 4.
Distribution of funds transfered into renewal accounts by employment sectors and workers (N) concerned.

Labour Market Sector	Workers Employed	Share of Workers in Firms with a Renewal Account	Size of Renewal Accdunt (x 1000 Swedish Crowns)	Money per Worker in Firms with a Renewal Account (Crowns)	Money per Worker in entire Labour Market Sector
Food industry	62.000	72 %	180.000	4.000	2.900
Textiles	26.000	38 %	31.000	3.200	1.200
Forestry	43.000	37 %	82.000	5.100	1.900
Paper industry	113.000	75 %	410.000	4.800	3.600
Chemical industry	66.000	64 %	280.000	6.600	4.200
Agriculture	20.000	59 %	60.000	5.000	3.000
Mining industry	51.000	40 %	118.000	5.900	2.300
Manufacturing	342.000	70 %	1.339.000	5.600	3.900
Others	3.900	59 %	13.000	5.700	3.400
Total	727.000	65 %	2.510.000	5.300	3.500

Source: Nilsson (1989).

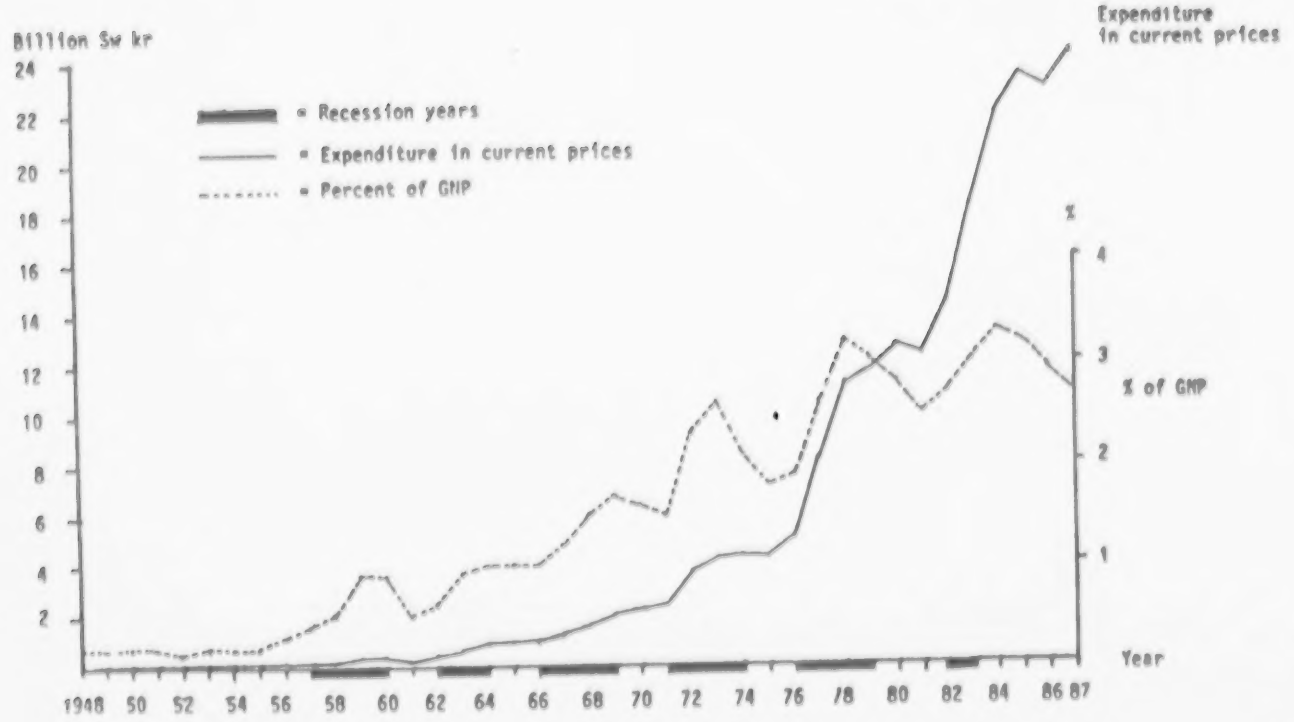

Figure 1. Total expenditure of the National Labour Market Board (AMS) (1948-1987) in current prices (billion kronor) and as a percentage of GNP. Source: Official Statistics of Sweden, Johannesson (1988).

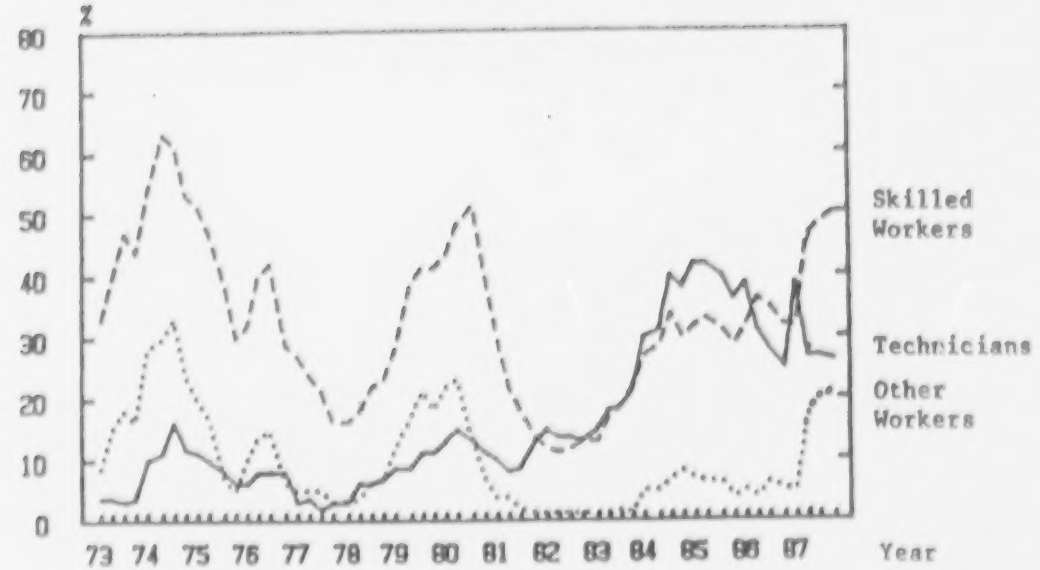

Figure 2. Proportion of enterprises in the industrial sector which reported a shortage of manpower in 1987. Source: Ministry of Labour (1988).

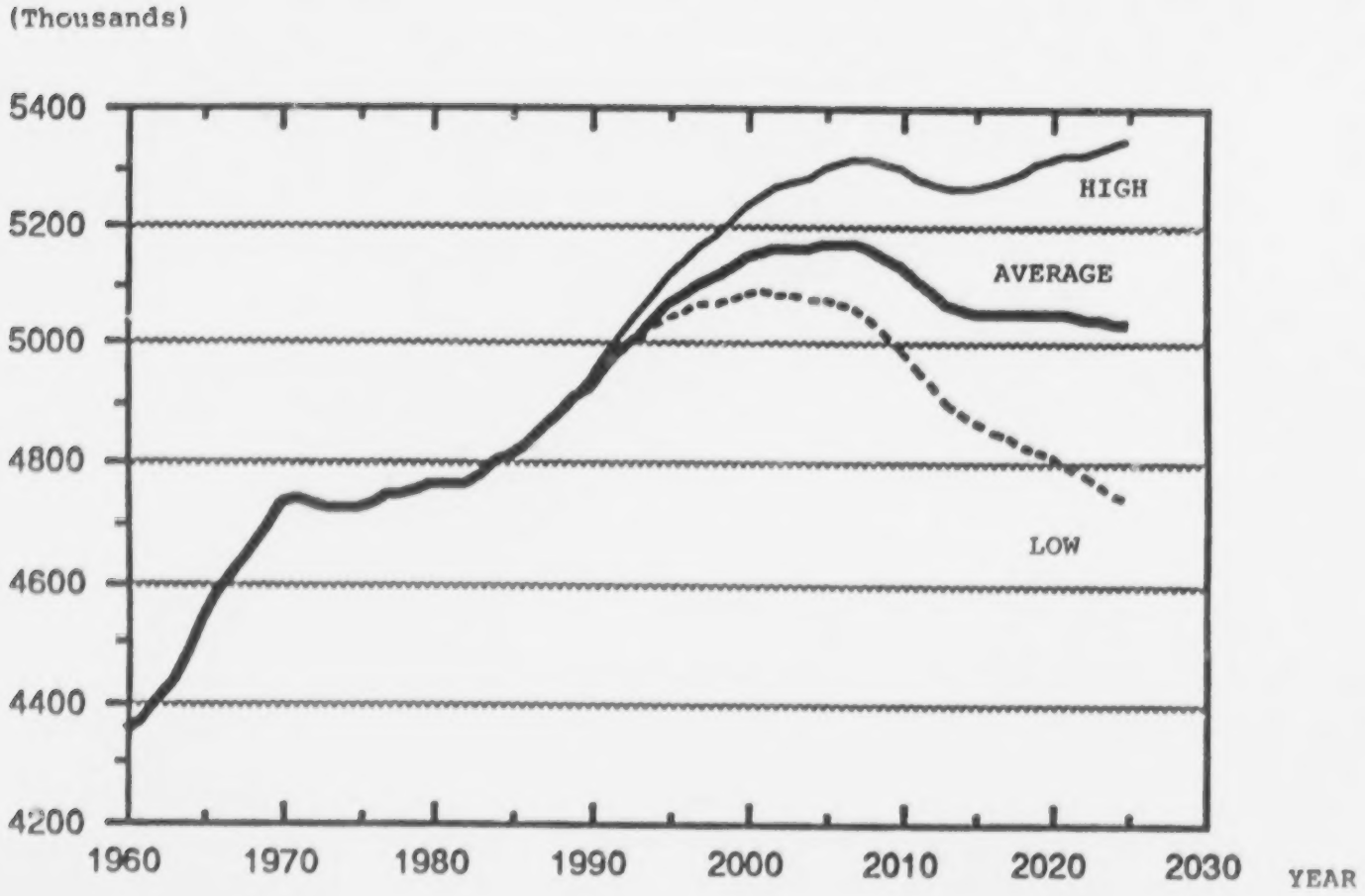

Figure 3. Population comprising the labour force, age 20-64. Trend 1960-1987. Forecast 1990-2030.

Source: SCB (1989).

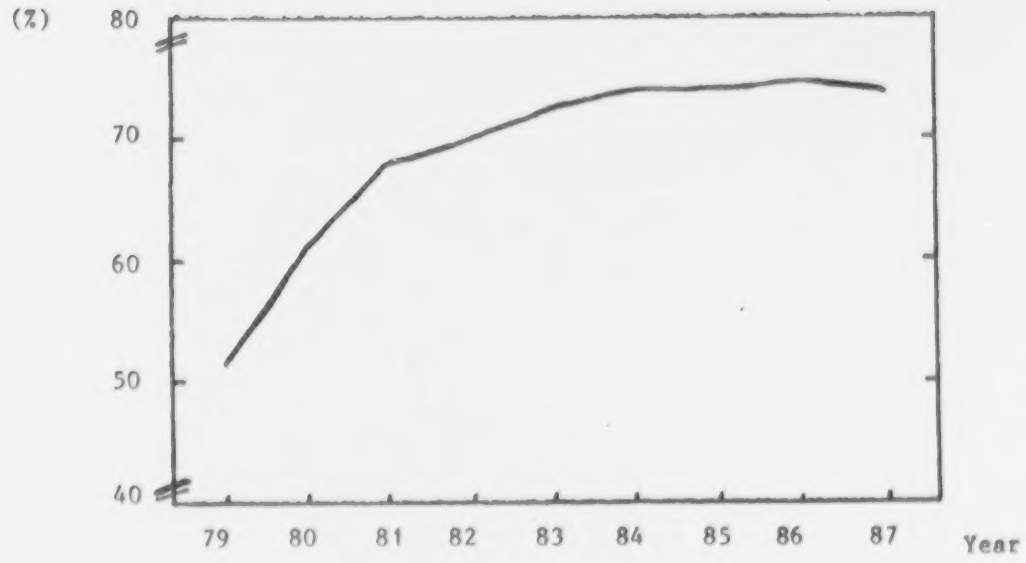

Figure 4. Percentage of newly registered job vacancies requiring formal education and work experience.

Source: Swddish Ministry of Labour (1988).

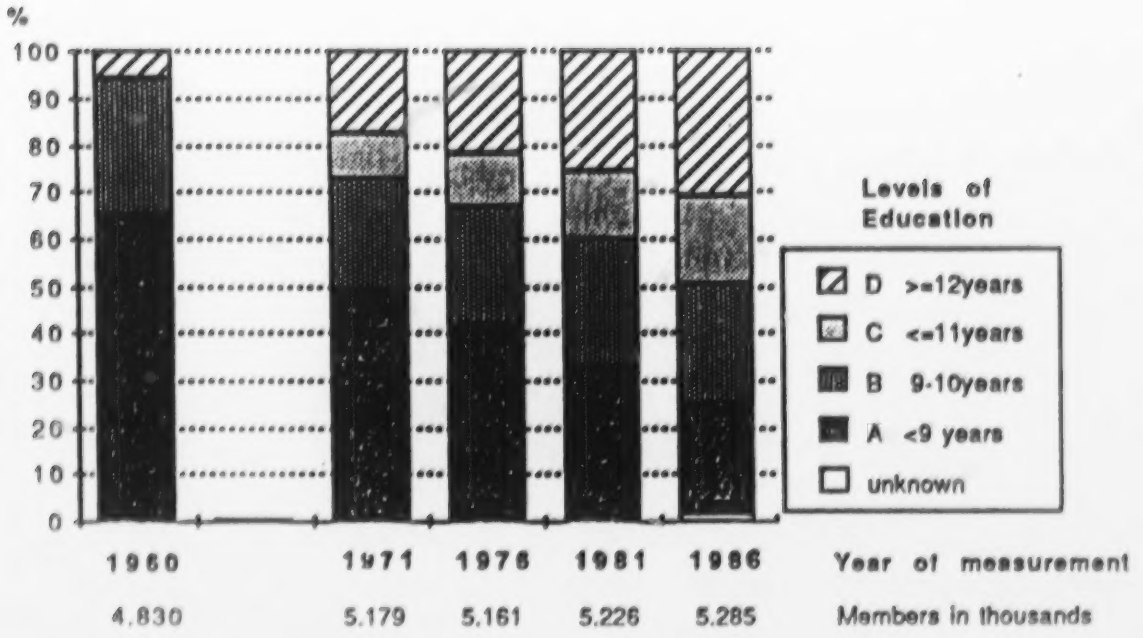

Figure 5. Distribution of the Swedish labour force (16-64 years) by levels of formal educational attainment (per cent, selected years).

Source: Sundin and Tuijnman (1988).

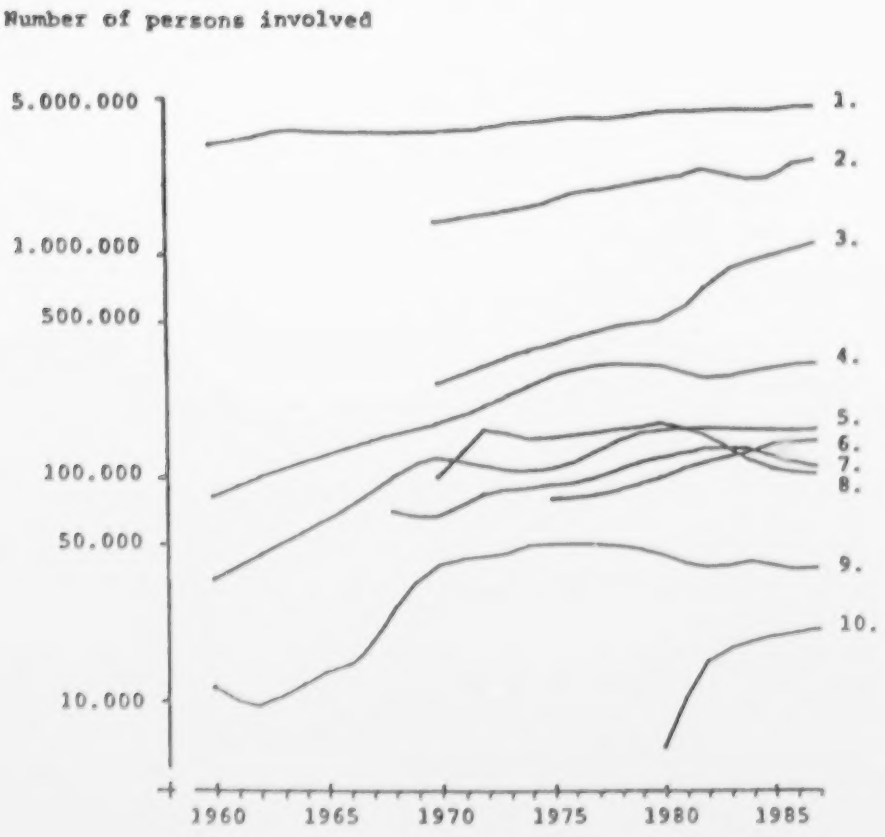

Figure 6.

Exponential growth of the learning society, Sweden, 1960-1987 (logarithmic scale).

Where
1. denotes women and men in the labor force
2. denotes participants (aged 18-74) in adult education (all programs)
3. denotes participants (aged 18-74) in personnel training
4. denotes the number of study circles organized each year
5. denotes enrolment in regular higher education
6. denotes enrolment in three and four year programs of mainly academic study in upper secondary education
7. denotes enrolment in two year technical, vocational, and general programs of study in upper secondary education
8. denotes enrolment in municipal adult education
9. denotes enrolment in labor market training programs
10. denotes enrolment in basic education for adults

Source of Data: Official Statistics of Sweden. Source: Tuijnman (1989).

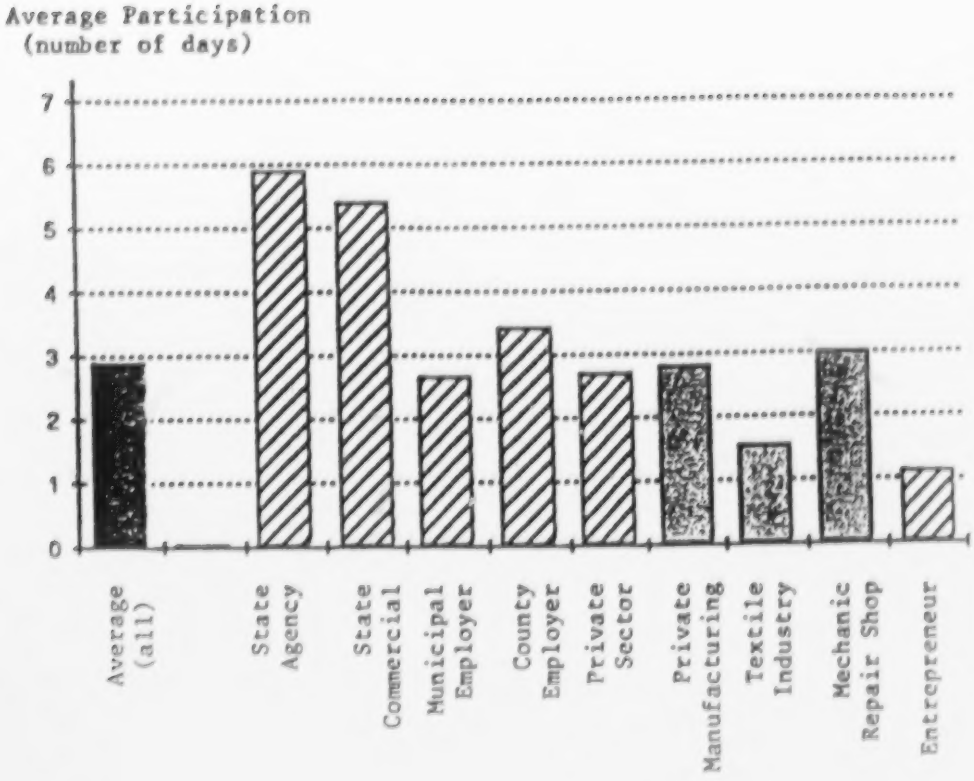

Figure 7. Average number of days of in-service training per worker, in 1987, by employment sector and industrial branch.

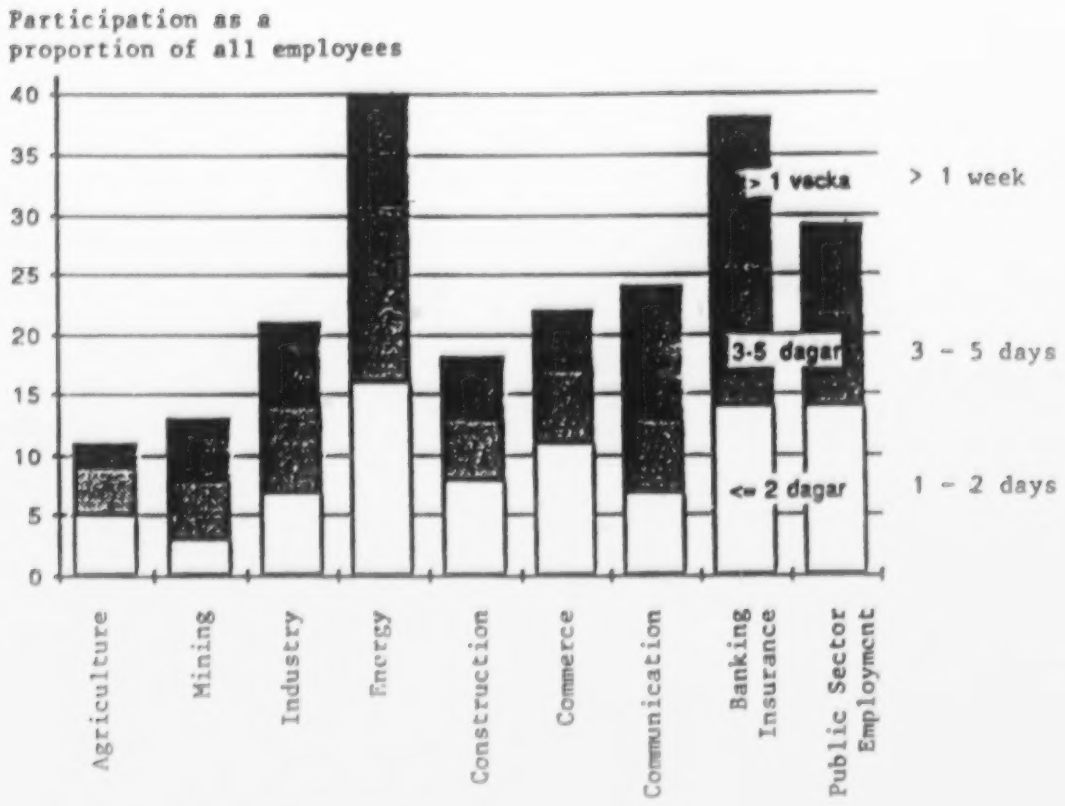

Figure 8. Distribution of participants in employer-financed in-service training by labour market sector and duration of training activity (in 1987).

Source: SCB (1988).

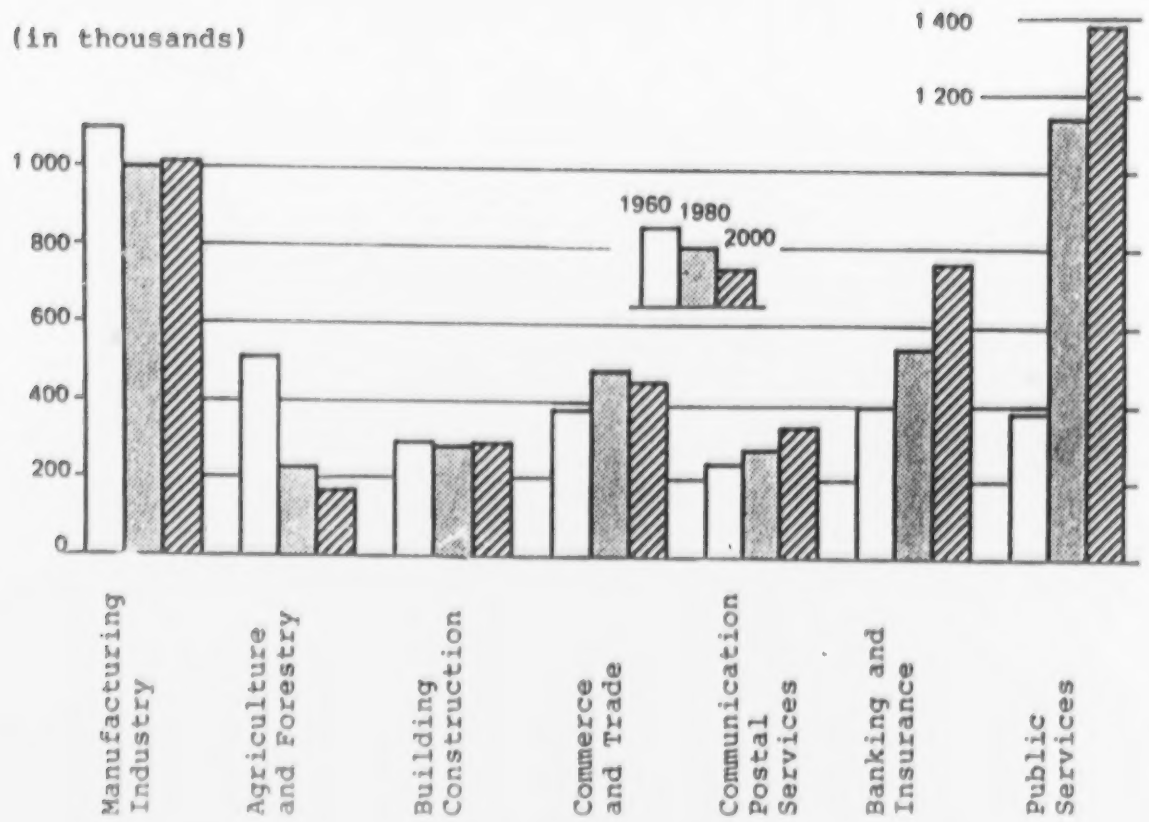

Figure 9. Gainfully employed, by main sectors of economic activity, in 1960, 1980 and 2000.

Source: IPF and Metallindustriarbetareförbundet (1989).

Figure 10. Participants in study programs organized by the metal union (Svenska metallindustriarbetareförbundet), in per cent of total membership.

Source: Svenska Metallindustriarbetareförbundet.

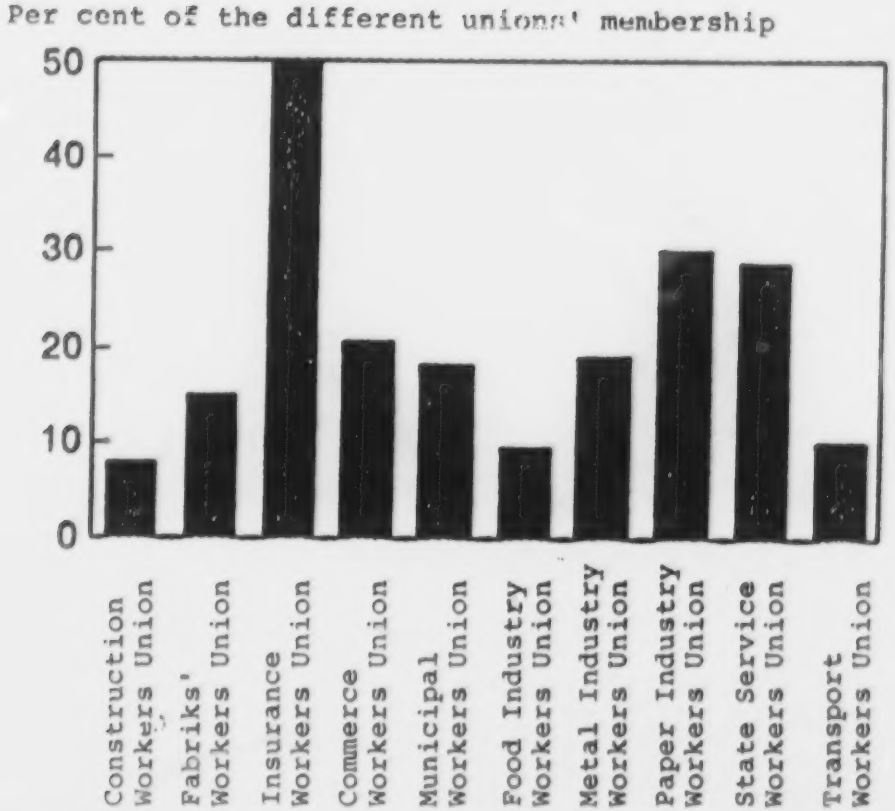

Figure 11. Participation in in-service training by branch organizations of the Swedish Trade Union Confederation (LO), in percent of each union's membership.

Source: SCB, AKU and LO (1989).

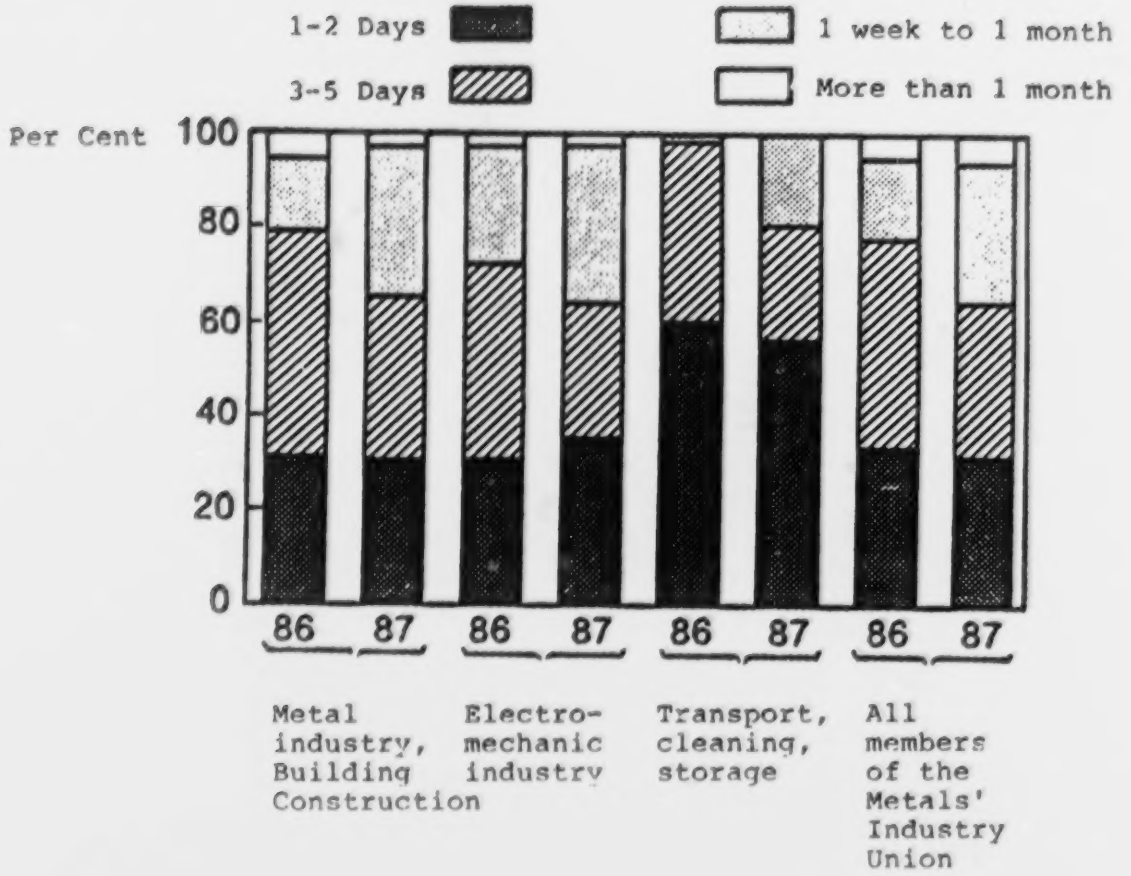

Figure 12. Participation in in-service training by employment sectors, in per cent of the metals' industry workers' union membership, in 1986 and 1987. Source: LO (1989).

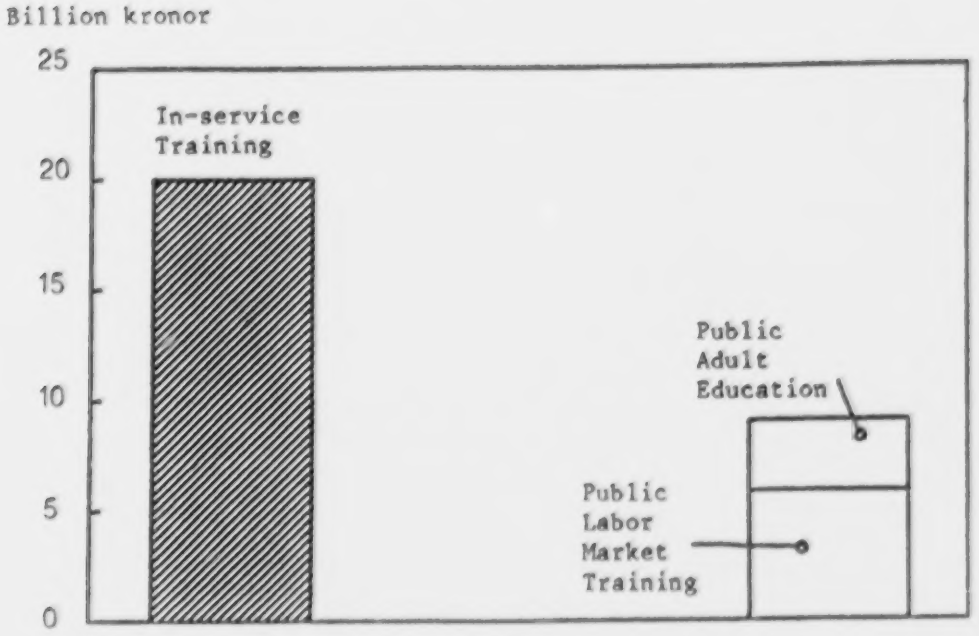

Figure 13. Estimated costs of employer-financed in-service training, public adult education, and public labour market training, in 1987.

Source: LO (1989).

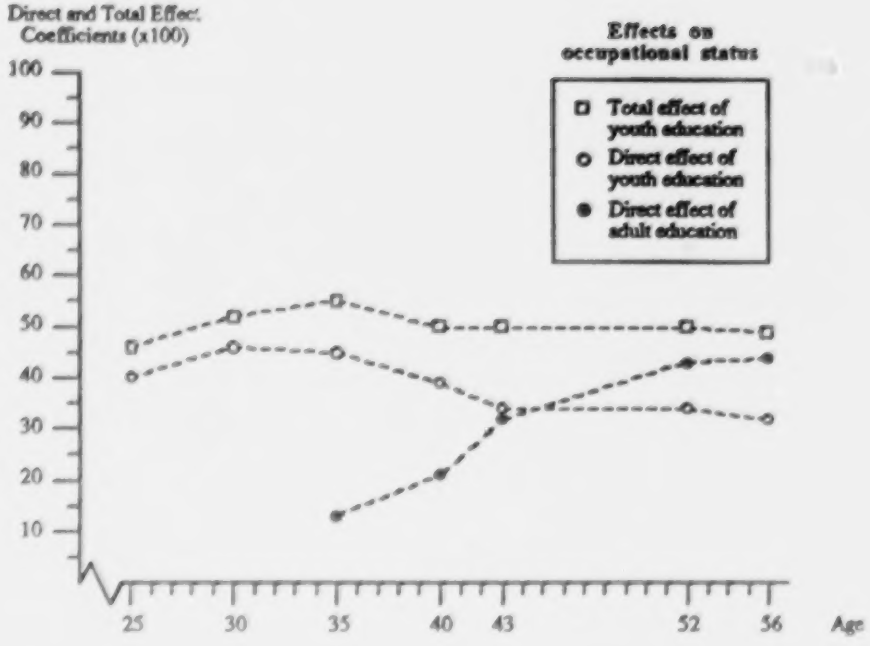

Figure 14. The relative importance of youth educational attainment and adult recurrent education in predicting occupational status from age 25 to 56 (measured using longitudinal data).

Source: Tuijnman (1989)

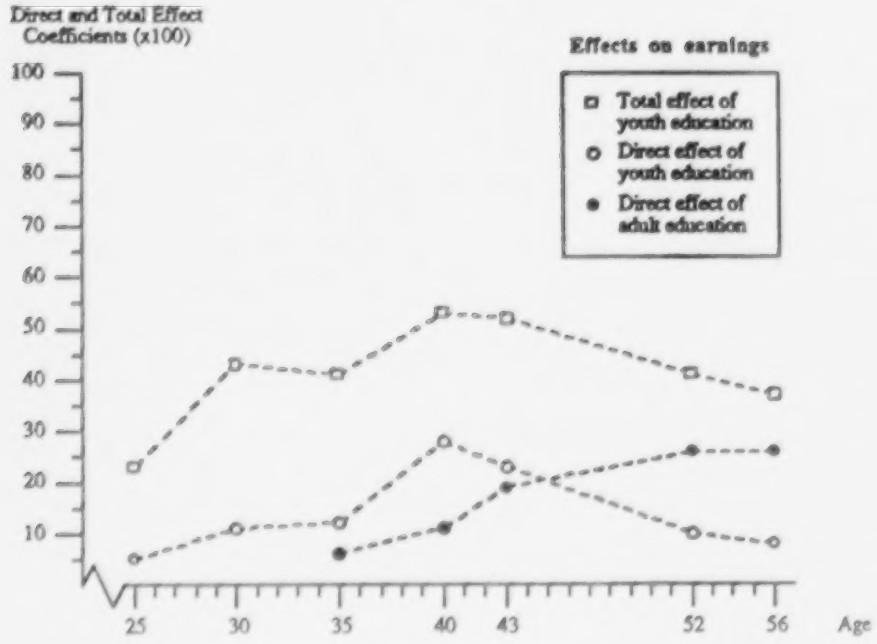

Figure 15. The relative importance of youth educational attainment and adult recurrent education in predicting earned income from age 25 to 56 (longitudinally measured).

Source: Tuijnman (1989)

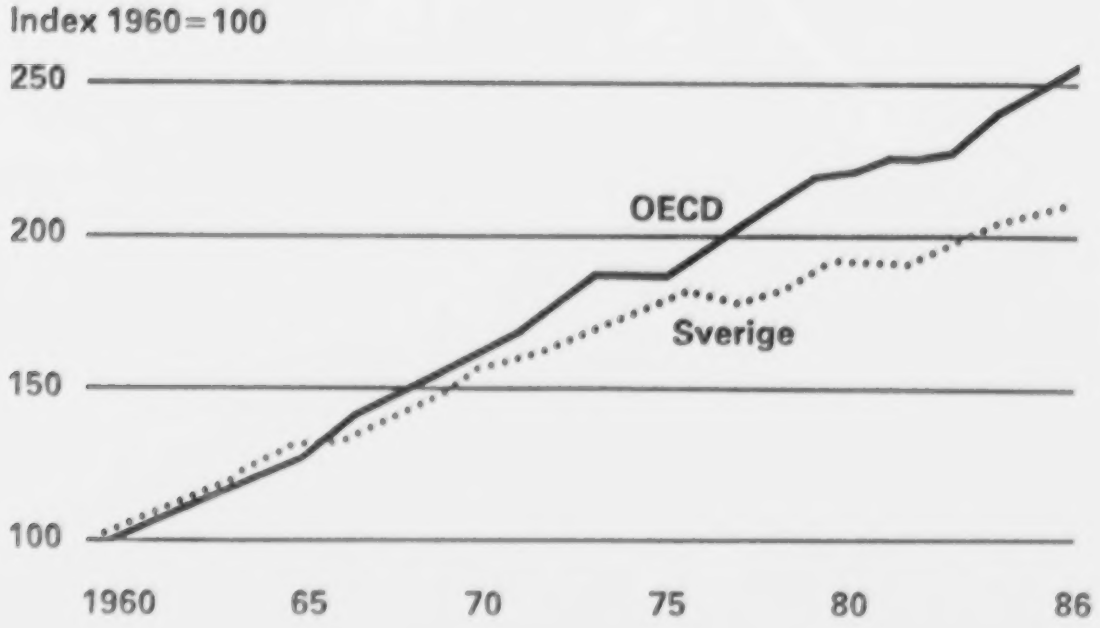

Figure 17. GDP Growth, Sweden and the OECD average, 1960-1986.

Source: Näringslivets Ekonomifakta AB

Appendix A: Interview Guide

The acquisition and recurrent enhancement of knowledge and skills by means of adult education and training in working life is emerging as an important issue in negotiations and collective agreements between the major partners on the Swedish labour market. The effectiveness of providing education and training will to some extent depend on the negotiation mechanisms in place. In this context, it would be of interest to know how and to what extent the education and continuing training of the workforce currently feature in collective bargaining in Sweden.

This study is part of a larger study conducted by the Organisation of Economic Co-operation and Development (OECD).

Questions

1. Do education and training policy in fact feature as an issue for negotiation in workplace agreements in Sweden?

2. If so, what are the existing negotiating mechanisms for agreements relating to education and training policy in the industrial sector and the public sector?

3. Why and how have these mechanisms of negotiation evolved over the years? (emphasis on the 1980s)

4. Do these mechanisms reflect national legal provisions relating to change in industry or national agreements between the social partners? Or have they emerged on an "impromptu," industry-by-industry basis as the need has arisen?

5. Are bargaining agreements geared primarily to overcoming potential redundancy situations or is the emphasis more "positively," upon ensuring a sufficient supply of appropriate skills?

6. How prevalent are enterprise-based negotiations involving education and training? To what extent do they depend on the industry involved?

7. What is the role of the labour unions in the negotiation process? At a national/industry/enterprise level? Is the role of, say, LO similar to that of TCO, or are there

specific differences between them with regard to their emphases in approaching collective bargaining concerning the further education and training of their membership?

8. What is the role of the government in this regard? Institutionally? In terms of labour market measures? (e.g. retraining provisions to avoid oversupply, bottlenecks, unemployment)

9. How is (are) the government's role(s) perceived by the bargaining partners on the Swedish labour market? Are there time-bound differences or trends?

10. What has been the role of management/employers/employer organizations? Does it differ markedly from a national to an industry or enterprise level?

11. In industries/sectors where major structural changes have occurred/are occurring, what role has the further education and training of the workforce played in the "adjustment" process?

12. Are the education and training provisions adopted on a "permanent" basis or are they more of a temporary nature? Short-term measures instituted to redeploy potentially redundant workers or a "visionary," overall strategy?

13. To what extent has the treatment of education and training policies differed between industries and between segments of the public labour market?

14. Does it depend upon an industry/sector/segment reaching a "crisis"-stage before any constructive moves are made to undertake further/alternative skill development?

15. Can you give examples of concrete industries/firms which stress the importance of further education and training of their workforce Rhetoric? Actually? What measures?

16. What are the differences regarding interprise-level/ sector-level negotiations between large and medium or small-size firms, and to what extent are there major industries/employers that act as "katalysts" regarding training policies in the labour market overall?

17. How are competences acquired by the workforce both on and off-the-job recognized in Sweden? What role do they play in further job assignments/promotions? Has this issue posed problems for employers/personnel departments/labour unions? What strategies are currently proposed?

18. How have employers handled the relationship between certification of skills and pay classifications? Is it regarded as an "issue"? Nationally? Enterprise-level?

19. What are the implications of practices and developments regarding assessment and certification, for internal labour mobility? External mobility?

20. To what extent has training become a strategic issue for the government to be considered in the context of long-term educational planning? What steps are currently being undertaken in Sweden in this regard?

21. What are the bases for different possible allocations of the costs of further/continuing education and training? General adult education? On-the-job training? Off-the-job training?

22. What arrangements exist for education and training leave? How about compensation for the firm- and individual-level costs incurred? Is there a difference between general and specific education and training in this regard?

23. Are there major quantitative and qualitative differences in the extent to which workers/adults belonging to the various sectors and segments of the labour market receive opportunities for further education and training both on- and off-the-job?

24. If this is the case, what policies/measures are being undertaken or proposed at the (a) national level and (b) the enterprise level to ensure a more equal distribution of learning opportunities?

25. How and to what extent does the equality/solidarity issue enter into discussions/negotiations concerning workplace related adult education and training? Central level? Local level?

26. How could legislation/public policy in this area encourage and facilitate redistribution/equality in the provision of opportunities for job-related education and training?

27. What are the major factors (including government interventions, such as training subsedies or the tax treatment of intangible resources) that influence the content, quality, quantity and distribution of further education and training opportunities in Sweden?

28. In your opinion, what other factors have had a decisive influence on the conception/implementation of further education and training policy in Sweden?

28. How would the changing parameters of public policy domains and priorities affect the nature and extent of education and training policy in Sweden in the period until 1991?

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